

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input checked="" type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Cass County	County Cass
Fiscal Year End 9/30/06	Opinion Date 12/21/06	Date Audit Report Submitted to State 3/8/07	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe) Single Audit; Form SF-SAC	<input checked="" type="checkbox"/>			
Certified Public Accountant (Firm Name) Rehmann Robson		Telephone Number (517)787-6503		
Street Address 675 Robinson Road		City Jackson	State MI	Zip 49203
Authorizing CPA Signature 		Printed Name Stephen W. Blann, CPA, CGFM		License Number 24801

COUNTY OF CASS, MICHIGAN



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2006

COUNTY OF CASS, MICHIGAN COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2006

Board of Commissioners:

Robert Wagel, Chairperson
Ronald Francis, Vice-Chairperson

Ed Goodman
Cathy Goodenough
Alan Northrop
Gordon Bickel, Sr.
Jack L. Teter, Sr.
David P. Taylor
Carl D. Higley, Sr.
Dixie Ann File
John Cureton
Minnie Warren
Johnie A. Rodebush
Dale Lowe
Robert Ziliak

Officials:

Terry L. Proctor, Administrator/Controller
Michael E. Dodge, Circuit Court Judge
Paul E. Deats, District Court Judge
Susan L. Dobrich, Probate/Family Court Judge
Barbara K. Wilson, Clerk/Register
Linda Irwin, Treasurer
Victor Fitz, Prosecuting Attorney
Joseph M. Underwood, Sheriff
Jeffrey VanBelle, Drain Commissioner

Prepared By:

Cass County Administrator/Controller's Office
Rebecca L. Moore, CPA

Independent Auditors:

Rehmann Robson

COUNTY OF CASS, MICHIGAN
Comprehensive Annual Financial Report
For the Year Ended September 30, 2006

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COUNTY OF CASS, MICHIGAN

Comprehensive Annual Financial Report

For the Year Ended September 30, 2006

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INTRODUCTORY SECTION



Cass County County Administrator

December 21, 2006

To the Honorable Chairperson, Members of the Board of Commissioners, and Citizens of the County of Cass, Michigan:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson has issued an unqualified (“clean”) opinion on the County of Cass’s financial statements for the year ended September 30, 2006. The independent auditor’s report is located at the front of the Financial Section of this report.

Management discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The County of Cass, Michigan, incorporated in 1829, is located in the southwestern part of the State. It occupies 492 square miles and serves an estimated population of 51,996. The County of Cass is empowered to levy a property tax on both real and personal property located within its boundaries.

An elected Board of Commissioners governs the County of Cass. Policy-making and legislative authority are vested in the Board consisting of 15 members, all elected on a partisan basis. The Board appoints the County Administrator/Controller. Board members serve two-year terms with all members elected every two years. The Chairperson serves for a one-year term. All Board members are elected by district.

The County provides a diverse range of services, including law enforcement, justice administration, human services, public and mental health services, document administration, maintenance of roads, parks and drains, residential nursing home and other services.

The Board is required to adopt a budget no later than the beginning of the fiscal year. This annual budget serves as the foundation of Cass County's financial planning and control.

The government maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the activity level within the general fund and functional level in the special revenue and debt service funds.

Local Economy

Through a varied residential, agricultural, commercial and industrial base, the County enjoys a relatively stable economic environment and indicators point to a continuation of this trend. Borgess-Lee Memorial Hospital in Dowagiac provides health care services as well as employment opportunities. Higher education is available to County residents and others at Southwestern Michigan College. Finally, in addition to established industrial parks in Dowagiac, Cassopolis and Edwardsburg; the County possesses other sites, which have nearby rail and highway access.

Based on the 2000 census, there are 19,676 occupied housing units in the County. Of these units, 81.9% or 16,106 are owner occupied. Southwest Michigan has one of the most affordable housing markets in the nation.

Because of its location in a region with a varied economic base, County employment is relatively stable. During the past ten years, the unemployment rate has ranged from 3.2% to 5.4%. (pg 146)

Long-term financial planning

Unreserved fund balance in the general fund (24 percent of total general fund expenditures) exceeds the policy guidelines set by the Board for budgetary and planning purposes.

With Michigan struggling with its budget, Cass County is presently using reserves and monitoring the situation closely. No significant large projects are being planned at this time.

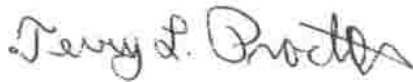
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cass County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2005. This was the tenth consecutive year that the government has received this award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated service of the staff of the Administrator/Controller's office and the Treasurer's office. We wish to express our appreciation to those who assisted and contributed to the preparation of this report. Credit must also be given to the Chairperson and the Board of Commissioners for their support for maintaining the highest standards of professionalism in the management of the County of Cass.

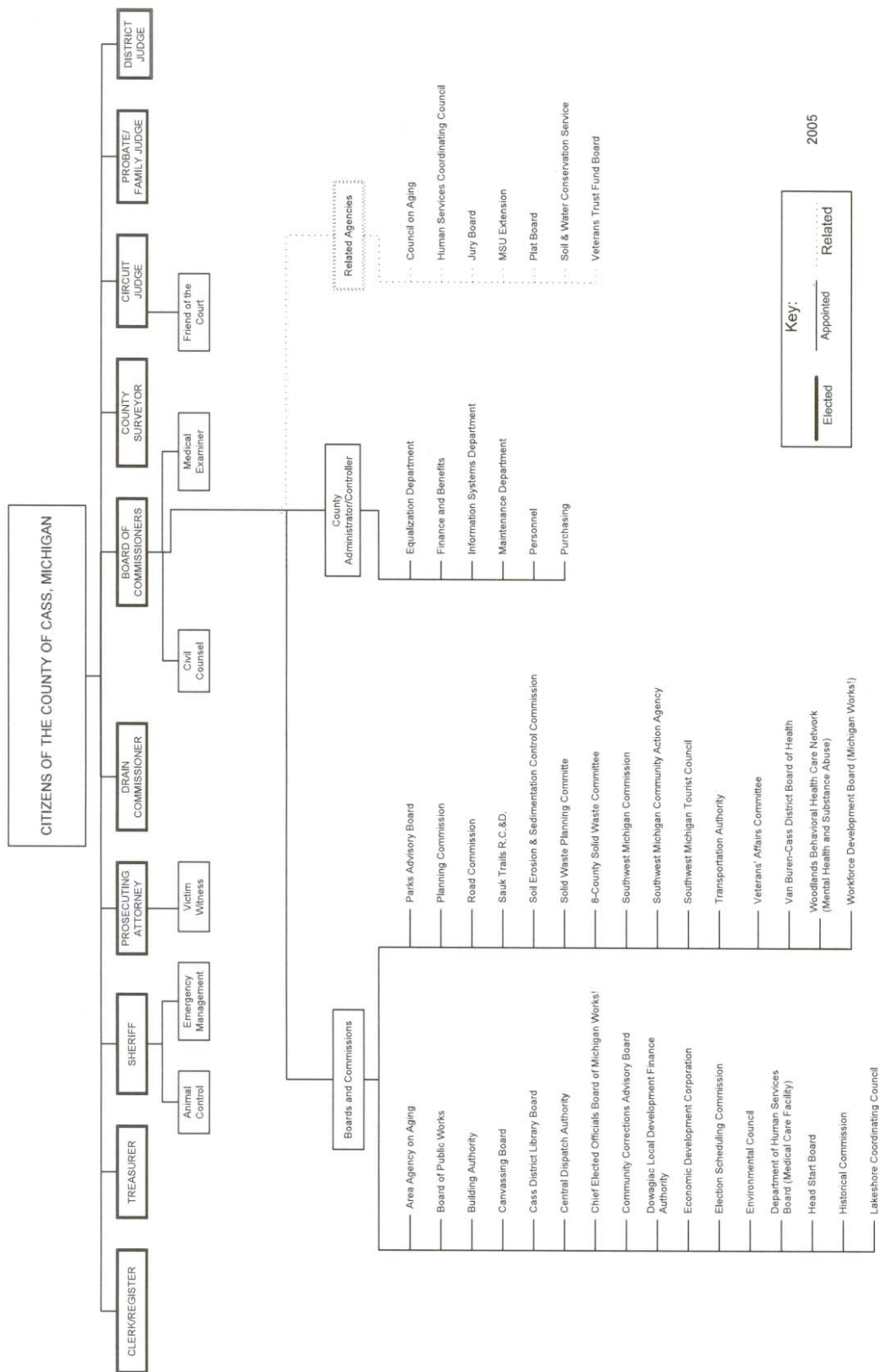
Respectfully submitted,



Terry L. Proctor
County Administrator



Rebecca Moore, CPA



Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Cass
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Thomas J. Flannery".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



INDEPENDENT AUDITORS' REPORT

December 21, 2006

The Board of Commissioners
County of Cass, Michigan
Cassopolis, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Cass Michigan**, as of and for the year ended September 30, 2006, which collectively comprise the basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Medical Care Facility enterprise fund, which is a major fund and which represents 9% of the assets and 71% of the revenues of the business-type activities. We also did not audit the financial statements of the Transportation Authority, which represents 2% of the assets and 8% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and Transportation Authority, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cass, Michigan, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-11 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2006, on our consideration of the County of Cass, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters in a separately issued single audit report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Cass, Michigan. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based upon our audit and the reports of other auditors, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections, as listed in the table of contents, were not audited by us and, accordingly, we do not express an opinion on them.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Cass County we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

FINANCIAL HIGHLIGHTS

- The assets of Cass County exceeded its liabilities at the close of the most recent fiscal year by approximately \$32.4 million (*net assets*). Of this amount, approximately \$16.9 million (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors. Governmental activities contain approximately \$6.5 million of the unrestricted net assets. The Medical Care Facility and the Delinquent Tax Revolving Fund contain most of the business-type unrestricted net assets.
- At September 30, 2006, Cass County's governmental funds reported combined ending fund balances of approximately \$9.6 million. Most of the total amount is *available for spending* at the County's discretion (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the general fund was approximately \$2.9 million or 24 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Cass County's basic financial statements. The basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities. The difference between assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Cass County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, judicial, public works, health, welfare, education, economic development, and culture and recreation. The business-type activities of Cass County include a Medical Care Facility that provides long-term skilled nursing care and the Delinquent Tax Revolving Fund.

The government-wide financial statements include not only the County itself, but also a legally separate Road Commission, a legally separate Drain Commission, a legally separate Transportation Authority and a legally separate Economic Development Corporation for which Cass County is financially accountable. Financial information for these *component* units is reported separately from the financial information presented for the primary government itself. The Cass County Building Authority and Medical Care Facility, although also legally separate, function for all practical purposes as departments of Cass County, and therefore have been included as integral parts of the primary government.

The government-wide financial statements can be found on pages 12-14 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Cass County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Cass County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Cass County maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Council on Aging Millage Fund, and Revenue Sharing Reserve Fund, which are considered to be major funds. Data from the other governmental funds are combined into an aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Cass County adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-29 of this report.

Proprietary funds. Cass County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Cass County uses six enterprise funds to account for its business-type activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Cass County's various functions. Cass County uses internal service funds to account for its equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Medical Care Facility and the Delinquent Tax Revolving Fund, which are considered to be major funds of Cass County. Detailed financial information for each of the nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-36 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Cass County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on page 37 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-65 this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Cass County's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 38-39 of this report.

County-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following schedule is a summary presentation of Cass County's assets, liabilities, and net assets at September 30, 2006. The schedule shows the County's assets exceeded liabilities by approximately \$32.4 million.

Cass County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current and other assets	\$ 11,476,572	\$ 9,239,723	\$ 44,124,254	\$ 43,994,419	\$ 55,600,826	\$ 53,234,142
Capital assets, net	15,174,308	15,441,254	1,389,457	1,475,990	16,563,765	16,917,244
Total assets	26,650,880	24,680,977	45,513,711	45,470,409	72,164,591	70,151,386
Liabilities						
Long-term liabilities	5,328,790	5,469,434	32,667,000	32,752,000	37,995,790	38,221,434
Other liabilities	701,243	559,102	1,068,372	1,334,076	1,769,615	1,893,178
Total liabilities	6,030,033	6,028,536	33,735,372	34,086,076	39,765,405	40,114,612
Net assets						
Invested in capital assets, net of related debt	10,239,455	10,367,055	1,389,457	1,475,990	11,628,912	11,843,045
Restricted	3,914,860	4,460,200	-	-	3,914,860	4,460,200
Unrestricted	6,466,532	3,825,186	10,388,882	9,908,343	16,855,414	13,733,529
Total net assets	\$ 20,620,847	\$ 18,652,441	\$ 11,778,339	\$ 11,384,333	\$ 32,399,186	\$ 30,036,774

Cass County has a net investment of approximately \$11.6 million in capital assets. This represents 36 percent of total net assets. Our investment in capital assets (e.g. land, buildings, machinery, and equipment) is shown less any related debt used to acquire those assets that is still outstanding. Cass County uses these capital assets to provide services to citizens; consequently, these assets are **not** available for future spending. Although Cass County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Cass County's net assets, approximately \$3.9 million (12 percent) represents resources that are subject to external restrictions on how they may be used. Cass County's *unrestricted net assets*, approximately \$16.9 million, may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2006 fiscal year, Cass County is able to report positive balances in all three net asset categories (invested in capital assets-net of related debt, restricted and unrestricted).

Cass County's Changes in Net Assets

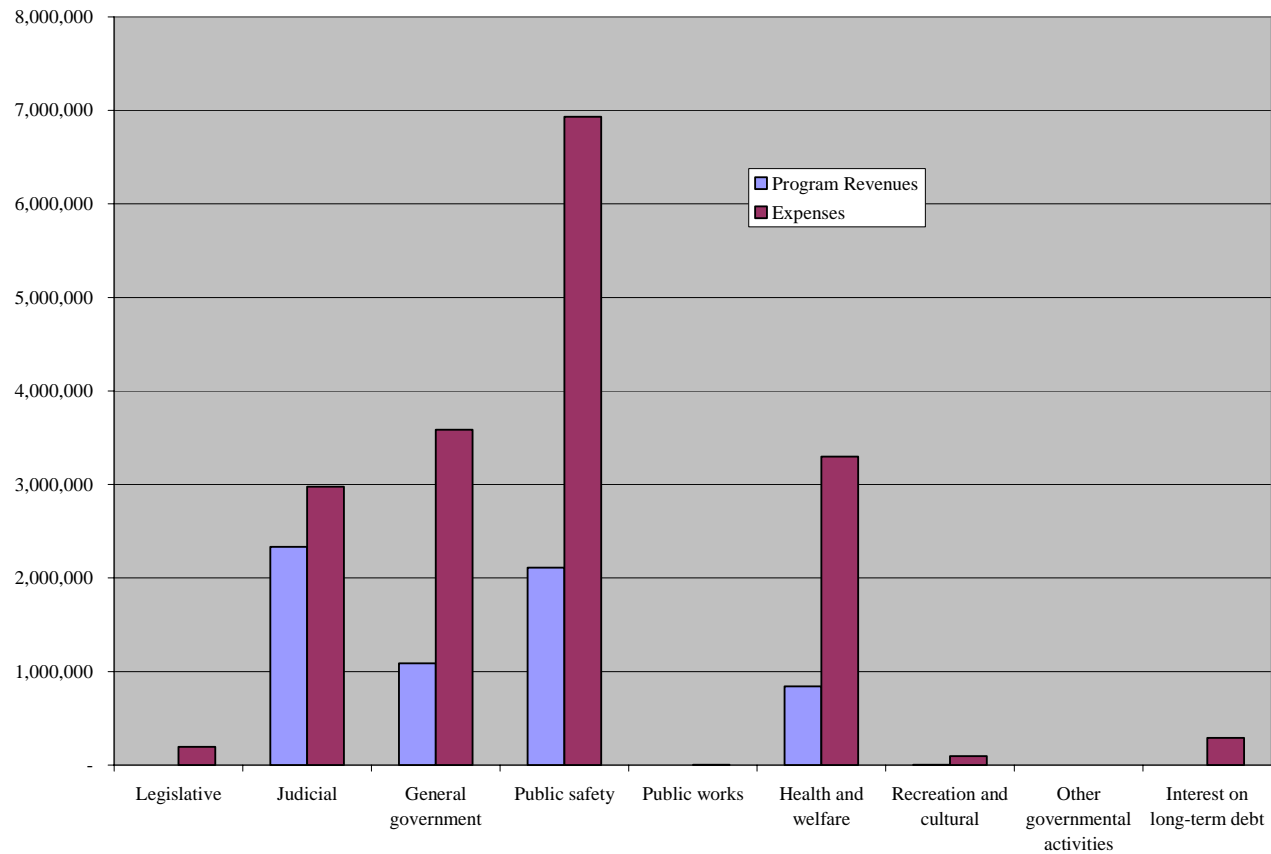
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues:						
Charges for services	\$ 2,189,402	\$ 1,608,136	\$ 7,995,647	\$ 4,670,924	\$ 10,185,049	\$ 6,279,060
Operating grants and contributions	4,188,517	3,304,954	845,995	527,919	5,034,512	3,832,873
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	11,497,562	8,634,970	-	-	11,497,562	8,634,970
Grants and contributions not restricted to specific programs	232,931	216,387	-	-	232,931	216,387
Unrestricted investment earnings	208,984	168,520	-	-	208,984	168,520
Gain on sale of capital assets	8,745	16,472	-	-	8,745	16,472
Total revenues	<u>18,326,141</u>	<u>13,949,439</u>	<u>8,841,642</u>	<u>5,198,843</u>	<u>27,167,783</u>	<u>19,148,282</u>
Expenses						
Legislative	194,158	158,948	-	-	194,158	158,948
Judicial	2,975,736	2,478,695	-	-	2,975,736	2,478,695
General government	3,584,731	2,436,841	-	-	3,584,731	2,436,841
Public safety	6,931,775	5,514,622	-	-	6,931,775	5,514,622
Public works	2,568	2,323	-	-	2,568	2,323
Health and welfare	3,298,333	2,736,171	-	-	3,298,333	2,736,171
Recreation and cultural	93,788	107,155	-	-	93,788	107,155
Other governmental activities	-	-	-	-	-	-
Interest on long-term debt	287,709	138,505	-	-	287,709	138,505
Medical Care Facility	-	-	5,863,587	4,168,286	5,863,587	4,168,286
Delinquent tax collections/forfeitures	-	-	121,514	121,309	121,514	121,309
Jail Commissary	-	-	84,227	57,577	84,227	57,577
Public works projects	-	-	1,367,245	657,657	1,367,245	657,657
Total expenses	<u>17,368,798</u>	<u>13,573,260</u>	<u>7,436,573</u>	<u>5,004,829</u>	<u>24,805,371</u>	<u>18,578,089</u>
Change in net assets before transfers	957,343	376,179	1,405,069	194,014	2,362,412	570,193
Transfers	<u>1,011,063</u>	<u>158,199</u>	<u>(1,011,063)</u>	<u>(158,199)</u>	<u>-</u>	<u>-</u>
Change in net assets	1,968,406	534,378	394,006	35,815	2,362,412	570,193
Net assets, beginning of year, as restated	<u>18,652,441</u>	<u>18,118,063</u>	<u>11,384,333</u>	<u>11,348,518</u>	<u>30,036,774</u>	<u>29,466,581</u>
Net assets, end of year	<u>\$ 20,620,847</u>	<u>\$ 18,652,441</u>	<u>\$ 11,778,339</u>	<u>\$ 11,384,333</u>	<u>\$ 32,399,186</u>	<u>\$ 30,036,774</u>

Governmental activities. Governmental activities reported an increase in net assets of approximately \$2.0 million. Most of the increase in governmental net assets is caused by the recognition of a change in property tax collections.

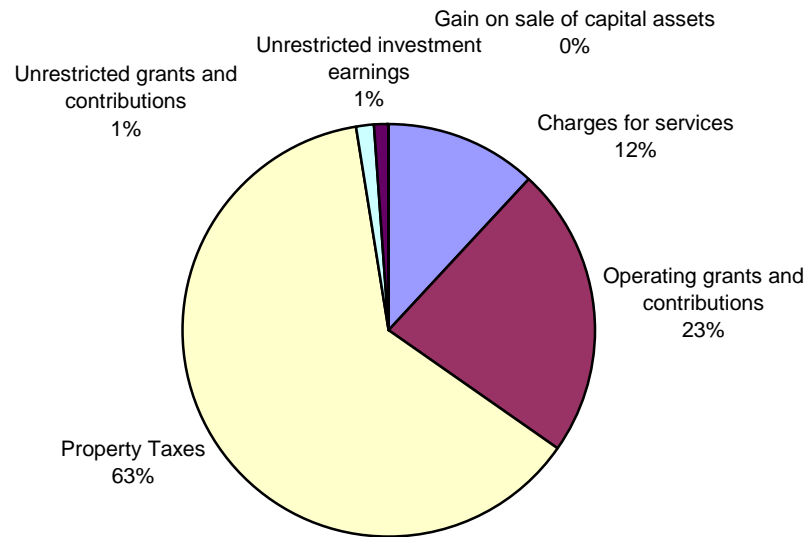
An analysis of the governmental activities' revenues and expenses shows an increase of \$1.6 million in property taxes, which was caused by a new law regarding summer collection of 2/3 of the County levy. The General Fund also received increased transfers in from the Budget Stabilization Fund and the Revenue Sharing Reserve Fund in fiscal 2006.

Business-type activities. Business-type activities increased Cass County’s net assets by approximately \$394,000. Before transfers, business-type activities contributed more than \$1.4 million to County net assets. Including its unrestricted investment earnings, the Delinquent Tax Revolving Fund contributed approximately \$977,000 to net assets before transfers and the Medical Care Facility contributed approximately \$408,000 in net assets before transfers.

Program Revenues and Expenses – Governmental Activities



Revenue by Source – Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier Cass County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Cass County's *governmental funds* is to provide information on near-term inflows, and balances of spendable resources. Such information is useful in assessing Cass County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, Cass County's governmental funds reported combined ending fund balances of approximately \$9.6 million, an increase of \$1.6 million in comparison with the prior year. Only \$2.9 million of this is *unreserved general fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Cass County. At the end of the fiscal year, the unreserved fund balance of the general fund was approximately \$2.9 million. As a measure of the general fund's liquidity it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 24 percent of total general fund expenditures.

The fund balance of Cass County's general fund decreased slightly during the fiscal year due in part to the requirement that a portion of property tax revenues be deposited into the Revenue Sharing Reserve Fund.

The fund balance of the Revenue Sharing Reserve special revenue fund increased by \$1.3 million during the fiscal year. This was the net of required deposits of property taxes less the amount allowed to be transferred to the general fund to be used for operations.

Proprietary funds. Cass County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Delinquent Tax Revolving Fund ended 2006 with unrestricted net assets of approximately \$8.1 million. The Medical Care Facility's unrestricted net assets were \$2.2 million.

General Fund Budgetary Highlights

Significant changes to the original general fund budget included a budget decrease in real and personal property taxes affected by the change in fiscal year and timing of tax collections. This was offset by a decrease in the transfers out to Revenue Sharing Reserve Fund of a like amount.

On the expenditure side, adjustments were made for grants in survey and remonumentation and emergency response training. Departments requiring additional budget increases over adopted included district court, family/juvenile court and jail operation. Increases in budget were also recorded for transfers out to the budget stabilization fund and the public improvement fund.

Significant General Fund Budget Variances

The budget for revenue from real and personal property taxes originally included the amounts to be collected and deposited into the Revenue Sharing Reserve Fund, with a corresponding Transfer Out to the Revenue Sharing Reserve Fund. These accounts were both corrected to account for a portion of the tax revenue deposited directly into the Revenue Sharing Reserve Fund.

Other significant variances between the original adopted budget and the final amended budget included the addition of budgeted transfers from the General Fund to the Public Improvement Fund of \$413,576 and a transfer to the Budget Stabilization Fund of \$827,152

Capital Assets and Debt Administration

Capital assets. Cass County's investment in capital assets for its governmental and business-type activities as of September 30, 2006 amounts to approximately \$16.6 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and equipment.

Cass County's Capital Assets (Net of depreciation)

	Governmental Activities	Business-type Activities	Total
Land	\$ 395,656	\$ 54,948	\$ 450,604
Construction in progress	-	-	-
Buildings	12,868,952	1,046,686	13,915,638
Equipment	1,909,700	287,823	2,197,523
	\$15,174,308	\$1,389,457	\$16,563,765

Additional information on Cass County's capital assets can be found in note III.E on pages 52-56 of this report.

Long-term debt. At the end of the 2006 fiscal year, Cass County had net outstanding debt of approximately \$5.3 million.

Cass County's Outstanding Debt

	Gross Debt Outstanding	Paid by Benefited Entity	Net Amount Outstanding
Building Authority Bonds	\$ 4,945,000	\$ -	\$4,945,000
Public Works – Water & Sewer Debt	32,667,000	32,667,000	-
Compensated Absences	383,790	-	383,790
	\$37,995,790	\$32,667,000	\$5,328,790

Cass County improved its “A+” rating from Standard and Poor’s to “AAA” for its general obligation debt in April 2004.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current legal debt limit for Cass County is \$213 million, which is significantly in excess of the County’s outstanding debt applicable to limitation (\$38 million).

Additional information on the Cass County’s long-term debt can be found in note III.F on pages 56-60 of this report.

Economic Factors and Next Year’s Budgets

The following factors were considered in preparing the County’s 2006-2007 budget:

- The State of Michigan changed the tax billing cycle for counties and it will be fully implemented in July 2007.
- Health insurance rates continue to increase and negotiations continue with employee groups in order to control those costs.
- A \$142,292 transfer from the Budget Stabilization Fund to cover General Fund operations.

Requests for Information

This financial report is designed to provide a general overview of Cass County’s finances for all those with an interest in the government’s finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, Cass County Building, 120 N. Broadway – Suite 116, Cassopolis, Michigan 49031.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF CASS, MICHIGAN
Statement of Net Assets
September 30, 2006

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 8,193,911	\$ 8,147,061	\$ 16,340,972	\$ 2,769,908
Receivables, net	2,726,764	35,808,353	38,535,117	889,121
Prepaid items and other assets	378,896	168,840	547,736	785,743
Restricted cash	177,001	-	177,001	-
Capital assets not being depreciated	395,656	-	395,656	10,574,998
Capital assets being depreciated, net	14,778,652	1,389,457	16,168,109	28,525,380
 Total assets	 26,650,880	 45,513,711	 72,164,591	 43,545,150
Liabilities				
Accounts payable and accrued expenses	678,723	1,068,372	1,747,095	887,509
Unearned revenue	22,520	-	22,520	-
Long-term liabilities:				
Due within one year	533,790	2,187,000	2,720,790	441,749
Due in more than one year	4,795,000	30,480,000	35,275,000	7,685,538
 Total liabilities	 6,030,033	 33,735,372	 39,765,405	 9,014,796
Net assets				
Invested in capital assets, net of related debt	10,239,455	1,389,457	11,628,912	31,123,462
Restricted for grants and programs	3,914,860	-	3,914,860	-
Unrestricted	6,466,532	10,388,882	16,855,414	3,406,892
 Total net assets	 \$ 20,620,847	 \$ 11,778,339	 \$ 32,399,186	 \$ 34,530,354

The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Statement of Activities
For the Year Ended September 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 194,158	\$ -	\$ -	\$ -	\$ (194,158)
Judicial	2,975,736	787,384	1,547,179	-	(641,173)
General government	3,584,731	890,149	197,840	-	(2,496,742)
Public safety	6,931,775	364,627	1,746,201	-	(4,820,947)
Public works	2,568	-	-	-	(2,568)
Health and welfare	3,298,333	144,562	697,297	-	(2,456,474)
Recreation and cultural	93,788	2,680	-	-	(91,108)
Interest on long-term debt	287,709	-	-	-	(287,709)
Total governmental activities	<u>17,368,798</u>	<u>2,189,402</u>	<u>4,188,517</u>	<u>-</u>	<u>(10,990,879)</u>
Business-type activities:					
Medical Care Facility	5,863,587	6,060,950	210,484	-	407,847
Delinquent tax collections/forfeitures	121,514	466,386	632,274	-	977,146
Jail Commissary	84,227	87,256	-	-	3,029
Public works projects	1,367,245	1,381,055	3,237	-	17,047
Total business-type activities	<u>7,436,573</u>	<u>7,995,647</u>	<u>845,995</u>	<u>-</u>	<u>1,405,069</u>
Total primary government	<u>\$ 24,805,371</u>	<u>\$ 10,185,049</u>	<u>\$ 5,034,512</u>	<u>\$ -</u>	<u>\$ (9,585,810)</u>
Component units					
County Drains	\$ 105,561	\$ -	\$ 60,206	\$ 206,313	\$ 160,958
Economic Development	328,772	36,646	2,046	-	(290,080)
County Roads	6,567,191	2,095,972	5,885,385	-	1,414,166
Transportation	587,121	198,216	536,008	-	147,103
Total component units	<u>\$ 7,588,645</u>	<u>\$ 2,330,834</u>	<u>\$ 6,483,645</u>	<u>\$ 206,313</u>	<u>\$ 1,432,147</u>

continued...

COUNTY OF CASS, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended September 30, 2006

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (10,990,879)	\$ 1,405,069	\$ (9,585,810)	\$ 1,432,147
General revenues:				
Property taxes	11,497,562	-	11,497,562	-
Grants and contributions not restricted to specific programs	232,931	-	232,931	-
Unrestricted investment earnings	208,984	-	208,984	-
Gain on sale of capital assets	8,745	-	8,745	-
Transfers - internal activities	1,011,063	(1,011,063)	-	-
 Total general revenues and transfers	 12,959,285	 (1,011,063)	 11,948,222	 -
 Change in net assets	 1,968,406	 394,006	 2,362,412	 1,432,147
Net assets, beginning of year	18,652,441	11,384,333	30,036,774	33,098,207
Net assets, end of year	\$ 20,620,847	\$ 11,778,339	\$ 32,399,186	\$ 34,530,354

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

COUNTY OF CASS, MICHIGAN

Balance Sheet Governmental Funds September 30, 2006

	General	Council on Aging Millage	Revenue Sharing Reserve	Nonmajor Funds	Totals
Assets					
Cash and cash equivalents	\$ 936,431	\$ -	\$ 2,679,679	\$ 3,856,672	\$ 7,472,782
Taxes receivable - current	1,876,823	-	-	-	1,876,823
Accounts receivable	80,259	-	-	2,477	82,736
Due from other governments	490,524	-	-	275,938	766,462
Due from other funds	150,190	-	-	-	150,190
Inventory, at cost	8,644	-	-	-	8,644
Prepays	92,486	-	-	-	92,486
 <u>TOTAL ASSETS</u>	 \$ 3,635,357	 \$ -	 \$ 2,679,679	 \$ 4,135,087	 \$ 10,450,123
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 260,738	\$ -	\$ -	\$ 147,708	\$ 408,446
Accrued expenditures	123,893	-	-	-	123,893
Due to other governments	6,931	-	-	4,395	11,326
Due to other funds	-	-	-	150,190	150,190
Deferred revenue	193,771	-	-	-	193,771
 Total liabilities	 585,333	 -	 -	 302,293	 887,626
 Fund balances					
Reserved for inventory	8,644	-	-	-	8,644
Reserved for prepaids	92,486	-	-	-	92,486
Unreserved:					
Undesignated	2,948,894	-	2,679,679	-	5,628,573
Undesignated, reported in nonmajor:					
Special revenue funds	-	-	-	3,813,730	3,813,730
Debt service funds	-	-	-	8,917	8,917
Capital projects funds	-	-	-	10,147	10,147
 Total fund balances	 3,050,024	 -	 2,679,679	 3,832,794	 9,562,497
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 \$ 3,635,357	 \$ -	 \$ 2,679,679	 \$ 4,135,087	 \$ 10,450,123

The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
September 30, 2006

Fund balances - total governmental funds	\$ 9,562,497
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Add: capital assets not being depreciated	395,656
Add: capital assets being depreciated, net	14,398,647

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and thus are not included in fund balance.

Add: deferred property taxes	171,251
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	1,501,219
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds payable	(4,945,000)
Subtract: compensated absences	(383,790)
Subtract: accrued interest on long-term liabilities	(79,633)

Net assets of governmental activities	<u><u>\$ 20,620,847</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2006

	General	Council on Aging Millage	Revenue Sharing Reserve	Nonmajor Funds	Totals
Revenue					
Taxes and special assessments	\$ 7,102,293	\$ 1,348,823	\$ 2,226,690	\$ 714,756	\$ 11,392,562
Intergovernmental	1,966,334	-	-	1,227,854	3,194,188
Licenses and permits	141,502	-	-	-	141,502
Contributions	-	-	-	18,663	18,663
Fines and forfeits	102,950	-	-	66,300	169,250
Charges for services	1,701,747	-	-	252,985	1,954,732
Interest and rentals	358,925	-	44,055	138,991	541,971
Other revenue/reimbursements	342,634	-	-	723,754	1,066,388
Total revenue	11,716,385	1,348,823	2,270,745	3,143,303	18,479,256
Expenditures					
Current:					
Legislative	194,195	-	-	-	194,195
Judicial	2,589,786	-	-	205,504	2,795,290
General government	3,425,434	-	-	3,505	3,428,939
Public safety	4,804,057	-	-	2,072,429	6,876,486
Public works	2,568	-	-	-	2,568
Health and welfare	602,498	1,348,823	-	1,276,291	3,227,612
Recreation and cultural	48,750	-	-	12,538	61,288
Other	301,522	-	-	-	301,522
Debt service:					
Principal	-	-	-	140,000	140,000
Interest	-	-	-	243,211	243,211
Capital outlay	570,813	-	-	48,390	619,203
Total expenditures	12,539,623	1,348,823	-	4,001,868	17,890,314
Revenue over (under) expenditures	(823,238)	-	2,270,745	(858,565)	588,942
Other financing sources (uses)					
Transfers in	2,238,024	-	-	2,230,601	4,468,625
Transfers out	(1,847,363)	-	(931,361)	(678,838)	(3,457,562)
Total other financing sources (uses)	390,661	-	(931,361)	1,551,763	1,011,063
Net change in fund balances	(432,577)	-	1,339,384	693,198	1,600,005
Fund balances, beginning of year	3,482,601	-	1,340,295	3,139,596	7,962,492
Fund balances, end of year	\$ 3,050,024	\$ -	\$ 2,679,679	\$ 3,832,794	\$ 9,562,497

The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2006

Net change in fund balances - total governmental funds	\$ 1,600,005
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay	647,511
Subtract: depreciation expense	(782,091)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Add: change in deferred property taxes	105,000
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-

Add: principal payments on long-term liabilities	140,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Subtract: change in accrued interest on bonds	(44,498)
Add: decrease in the accrual of compensated absences	644

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities:

Add: interest revenue from governmental internal service funds	19,973
Add: gain on disposal of capital assets in governmental internal service funds	8,745
Add: net operating income from governmental activities accounted for in internal service funds	273,117

Change in net assets of governmental activities	\$ 1,968,406
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The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue				
Taxes				
Real and personal property taxes	\$ 9,007,040	\$ 6,841,900	\$ 7,044,593	\$ 202,693
Industrial Facilities Tax	53,000	53,000	44,116	(8,884)
Other taxes	6,700	6,700	13,584	6,884
Total taxes	9,066,740	6,901,600	7,102,293	200,693
Intergovernmental				
Community Policing Grant	-	-	47,529	47,529
Juvenile Officer's Grant	27,317	27,317	27,317	-
Judges Salaries Grant	238,836	238,836	239,041	205
Liquor Tax	90,116	90,427	90,427	-
Secondary Road Patrol Grant	73,659	77,489	101,878	24,389
Marine Safety Grant	18,948	36,155	29,879	(6,276)
Emergency Management Grant	10,000	10,000	8,411	(1,589)
Cigarette Tax Distribution	36,086	36,086	31,945	(4,141)
Prosecutor - Cooperative Reimbursement Program	92,100	92,100	100,170	8,070
FOC - Cooperative Reimbursement Program	493,274	493,274	452,558	(40,716)
FOC - Other	60,000	60,000	89,864	29,864
Victim Rights Grant	52,744	52,744	49,328	(3,416)
Survey and Remonumentation Grant	60,637	120,106	55,172	(64,934)
State court equity funding	361,659	343,785	347,377	3,592
Other intergovernmental revenue	311,389	377,594	295,438	(82,156)
Total intergovernmental	1,926,765	2,055,913	1,966,334	(89,579)
Licenses and permits				
Dog licenses	130,000	130,000	118,966	(11,034)
Soil erosion control permits	10,000	10,000	19,018	9,018
Other licenses and permits	7,888	8,888	3,518	(5,370)
Total licenses and permits	147,888	148,888	141,502	(7,386)

continued...

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue (continued)				
Fines and forfeits				
Circuit Court	\$ 6,500	\$ 6,500	\$ -	\$ (6,500)
District Court	63,750	63,750	102,950	39,200
Total fines and forfeits	70,250	70,250	102,950	32,700
Charges for services				
Circuit Court	81,000	81,000	72,540	(8,460)
District Court	513,000	513,000	473,080	(39,920)
Friend of the Court	48,900	48,900	57,043	8,143
Probate/Family Court	47,200	47,200	48,859	1,659
Clerk/Register	548,880	548,880	569,530	20,650
Policing contracts	206,160	206,160	135,748	(70,412)
Tax administration fees	114,000	114,000	108,130	(5,870)
Other charges for services	162,489	166,489	236,817	70,328
Total charges for services	1,721,629	1,725,629	1,701,747	(23,882)
Interest and rentals				
Interest revenue	75,000	75,000	104,206	29,206
Worker's compensation dividends	10,000	10,000	10,621	621
Building rental	36,000	36,000	36,000	-
Jail rental	132,100	132,100	208,098	75,998
Total interest and rentals	253,100	253,100	358,925	105,825
Other revenue/reimbursements				
Reimbursement - attorney fees	37,000	37,000	34,061	(2,939)
Reimbursement - property/liability insurance	51,000	51,000	43,285	(7,715)
Reimbursement - Tether program	40,000	40,000	46,834	6,834
Reimbursement - jail phone costs	72,000	72,000	62,164	(9,836)
Reimbursement - jail medical costs	5,000	5,000	64	(4,936)

continued...

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue (concluded)				
Other revenue/reimbursements (concluded)				
Reimbursement - Sheriff's work release program	\$ 15,000	\$ 15,000	\$ 24,410	\$ 9,410
Other revenue and reimbursements	128,708	128,708	131,816	3,108
Total other revenue/reimbursements	348,708	348,708	342,634	(6,074)
Total revenue	13,535,080	11,504,088	11,716,385	212,297
Expenditures				
Legislative				
Board of Commissioners	202,229	202,229	194,195	(8,034)
Judicial				
Circuit Court	277,431	277,431	267,112	(10,319)
District Court	587,569	603,954	599,449	(4,505)
Friend of the Court	692,755	695,951	636,899	(59,052)
Jury Commission	1,704	1,704	1,308	(396)
Probate Court	303,510	303,971	286,574	(17,397)
Family/Juvenile Court	494,301	502,418	500,219	(2,199)
Family Court Block Grant	11,576	11,576	6,660	(4,916)
Family Court BRC	90,000	90,000	65,523	(24,477)
Indigent Defense	235,000	235,000	226,042	(8,958)
Total judicial	2,693,846	2,722,005	2,589,786	(132,219)
General government				
Administrator	187,486	187,486	177,099	(10,387)
Elections	91,490	91,490	74,551	(16,939)
Civil Counsel	15,000	54,000	49,861	(4,139)
Clerk/Register	356,287	375,105	361,211	(13,894)
Controller	138,442	138,442	135,866	(2,576)
Equalization	167,457	167,457	167,358	(99)
Prosecutor	588,921	590,257	583,991	(6,266)

continued...

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Expenditures (continued)				
General government (concluded)				
Victim Rights	\$ 48,987	\$ 48,987	\$ 48,921	\$ (66)
Purchasing	291,835	291,835	266,363	(25,472)
Victim Impact Panel	644	644	576	(68)
Survey & Remonumentation	60,637	120,106	55,267	(64,839)
Treasurer	227,483	228,299	223,522	(4,777)
MSU Extension	121,462	125,822	124,407	(1,415)
Information Systems	432,881	432,881	417,299	(15,582)
Maintenance	531,674	543,651	542,618	(1,033)
Courthouse Security	100,000	104,737	99,145	(5,592)
Drain Commissioner	99,441	100,071	96,879	(3,192)
Sauk Trails	-	500	500	-
Total general government	3,460,127	3,601,770	3,425,434	(176,336)
Public safety				
Sheriff's Department	2,152,106	2,181,788	1,867,038	(314,750)
Secondary Road Patrol Grant	153,997	162,314	129,865	(32,449)
Howard Township Police	187,283	190,968	113,298	(77,670)
Marcellus Police	18,637	18,637	17,021	(1,616)
Sheriff SMC Security	14,789	15,188	12,366	(2,822)
COPS In School Grant	104,503	84,260	70,742	(13,518)
Maintenance Garage	106,967	108,612	79,292	(29,320)
Safety Belt / Impaired Driving Grant	-	8,160	8,158	(2)
Calvin Township Blight Abatement	-	4,216	4,215	(1)
Marine Law Enforcement	36,660	45,942	38,586	(7,356)
Snowmobile Grant	7,023	15,620	9,260	(6,360)
Tether Program	37,091	38,331	35,437	(2,894)
Marine Lake Patrol	2,821	6,821	4,295	(2,526)
Bullet Proof Vest Grant	-	10,220	6,279	(3,941)
SCAAP Grant	-	3,613	795	(2,818)

continued...

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Expenditures (continued)				
Public safety (concluded)				
Drunk Driver Jail Reduction	\$ 27,000	\$ 27,000	\$ 775	\$ (26,225)
Jail Operation	2,257,140	2,294,324	1,986,368	(307,956)
Planning Commission	8,184	8,184	7,450	(734)
Southwest Michigan Commission	10,732	10,732	10,732	-
Plat Board	537	537	327	(210)
CERT Grant	-	57,791	53,233	(4,558)
Emergency Management	27,122	27,663	23,568	(4,095)
Animal Shelter	327,656	340,100	324,757	(15,343)
Livestock Claims	-	200	200	-
Total public safety	5,480,248	5,661,221	4,804,057	(857,164)
Public works				
Department of Public Works	3,153	3,153	2,568	(585)
Health and welfare				
Health Department	248,901	248,901	245,978	(2,923)
Mental Health	195,000	195,000	195,000	-
Substance Abuse	45,058	45,214	45,214	-
Medical Examiner	40,000	43,378	43,378	-
AAA Assessment Fee	5,400	5,400	5,393	(7)
Veteran's Burial	15,000	17,312	16,583	(729)
Veteran's Affairs Office	47,915	50,919	50,522	(397)
Economic Development	500	500	430	(70)
Total health and welfare	597,774	606,624	602,498	(4,126)
Recreation and cultural				
County Parks	48,750	48,750	48,750	-

continued...

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Concluded)
General Fund
For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Expenditures (concluded)				
Other				
Employee Benefits	\$ 20,300	\$ 22,300	\$ 26,005	\$ 3,705
Property/Liability Insurance	280,000	278,000	275,517	(2,483)
Total other	300,300	300,300	301,522	1,222
Capital outlay	558,718	572,013	570,813	(1,200)
Total expenditures	13,345,145	13,718,065	12,539,623	(1,178,442)
Revenue over (under) expenditures	189,935	(2,213,977)	(823,238)	1,390,739
Other financing sources (uses)				
Transfers in				
Delinquent Tax Revolving	759,218	759,218	759,218	-
Revenue Sharing Reserve	914,241	931,361	931,361	-
Friend of the Court	10,000	10,000	10,000	-
Other funds	532,102	540,897	537,445	(3,452)
Total transfers in	2,215,561	2,241,476	2,238,024	(3,452)
Transfers out				
Law Library	(9,000)	(9,000)	(9,000)	-
Revenue Sharing Reserve	(2,248,760)	-	-	-
Child Care - Probate Court	(353,000)	(353,000)	(353,000)	-
Child Care - Family Independence Agency	(207,632)	(207,632)	(207,632)	-
Other funds	(27,900)	(1,277,733)	(1,277,731)	2
Total transfers out	(2,846,292)	(1,847,365)	(1,847,363)	2
Total other financing (uses)	(630,731)	394,111	390,661	(3,450)
Net change in fund balances	(440,796)	(1,819,866)	(432,577)	1,387,289
Fund balance, beginning of year	3,482,601	3,482,601	3,482,601	-
Fund balance, end of year	\$ 3,041,805	\$ 1,662,735	\$ 3,050,024	\$ 1,387,289

The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
Council on Aging Millage
For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue				
Taxes	\$ 1,303,141	\$ 1,303,141	\$ 1,348,823	\$ 45,682
Expenditures				
Health and welfare	1,303,141	1,303,141	1,348,823	45,682
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
Revenue Sharing Reserve Fund
For the Year Ended September 30, 2006

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue				
Taxes	\$ -	\$ 2,248,760	\$ 2,226,690	\$ (22,070)
Interest	-	-	44,055	44,055
Total revenue	-	2,248,760	2,270,745	21,985
Expenditures				
General government	-	-	-	-
Revenue over expenditures	-	2,248,760	2,270,745	21,985
Other financing sources (uses)				
Transfers out	(914,241)	(931,361)	(931,361)	-
Net changes in fund balances	1,334,519	1,317,399	1,339,384	21,985
Fund balances, beginning of year	1,340,295	1,340,295	1,340,295	-
Fund balances, end of year	\$ 2,674,814	\$ 2,657,694	\$ 2,679,679	\$ 21,985

The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Statement of Net Assets
Proprietary Funds
September 30, 2006

	Enterprise Funds			
	Medical Care Facility	Delinquent Tax Revolving	Ontwa Township Sewer	Porter Township Sewer
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,658,001	\$ 6,031,394	\$ 167,352	\$ 234,937
Taxes receivable - delinquent	-	2,048,791	-	-
Accounts receivable	838,317	-	-	-
Due from other governments	-	235,514	-	-
Current portion of leases receivable	-	-	500,000	950,000
Inventory	69,605	-	-	-
Prepaid expenses	99,235	-	-	-
Total current assets	2,665,158	8,315,699	667,352	1,184,937
Noncurrent assets:				
Restricted cash	-	-	-	-
Leases receivable, net of current portion	-	-	6,398,662	15,131,661
Capital assets being depreciated, net	1,389,457	-	-	-
Total noncurrent assets	1,389,457	-	6,398,662	15,131,661
Total assets	4,054,615	8,315,699	7,066,014	16,316,598
Liabilities				
Current liabilities:				
Accounts payable	231,141	-	1,014	66,598
Accrued expenses	216,066	-	-	-
Due to other governments	-	192,326	-	-
Current portion of long-term debt	-	-	500,000	950,000
	447,207	192,326	501,014	1,016,598
Long-term liabilities:				
Due in more than one year	-	-	6,565,000	15,300,000
Total liabilities	447,207	192,326	7,066,014	16,316,598
Net assets				
Invested in capital assets	1,389,457	-	-	-
Unrestricted	2,217,951	8,123,373	-	-
Total net assets	\$ 3,607,408	\$ 8,123,373	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Nonmajor Funds	Totals	Internal Service
\$ 55,377	\$ 8,147,061	\$ 721,129
-	2,048,791	-
8,808	847,125	743
352,000	587,514	-
737,000	2,187,000	-
-	69,605	-
-	99,235	277,766
1,153,185	13,986,331	999,638
-	-	177,001
8,607,600	30,137,923	-
-	1,389,457	380,005
8,607,600	31,527,380	557,006
9,760,785	45,513,711	1,556,644
361,227	659,980	55,425
-	216,066	-
-	192,326	-
737,000	2,187,000	-
1,098,227	3,255,372	55,425
8,615,000	30,480,000	-
9,713,227	33,735,372	55,425
-	1,389,457	380,005
47,558	10,388,882	1,121,214
\$ 47,558	\$ 11,778,339	\$ 1,501,219

COUNTY OF CASS, MICHIGAN
Statement of Revenue, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2006

	Enterprise Funds			
	Medical Care Facility	Delinquent Tax Revolving	Ontwa Township Sewer	Porter Township Sewer
Operating revenue				
Charges for services	\$ 5,938,345	\$ 466,386	\$ 338,967	\$ 676,350
Interest on taxes	-	352,025	-	-
Other operating revenue	157,695	-	-	-
Total operating revenue	6,096,040	818,411	338,967	676,350
Operating expense				
Cost of services	5,678,469	93,943	-	-
Depreciation	185,118	-	-	-
Total operating expense	5,863,587	93,943	-	-
Operating income (loss)	232,453	724,468	338,967	676,350
Non-operating revenue (expenses)				
Gain on disposal of capital assets	-	-	-	-
Interest and rentals	52,789	280,249	5	-
Interest expense	-	(571)	(338,972)	(676,350)
Other income	122,605	-	-	-
Other expense	-	(27,000)	-	-
Total non-operating revenue (expenses)	175,394	252,678	(338,967)	(676,350)
Income (loss) before transfers	407,847	977,146	-	-
Transfers in (out)				
Transfers in	72,633	998,916	-	-
Transfers out	-	(2,068,791)	-	-
Total transfers	72,633	(1,069,875)	-	-
Change in net assets	480,480	(92,729)	-	-
Net assets, beginning of year	3,126,928	8,216,102	-	-
Net assets, end of year	<u>\$ 3,607,408</u>	<u>\$ 8,123,373</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Nonmajor Funds		Totals	Internal Service
\$	452,994	\$ 7,873,042	\$ 3,770,651
	-	352,025	-
	-	157,695	-
	452,994	8,382,762	3,770,651
	84,227	5,856,639	3,307,281
	-	185,118	190,253
	84,227	6,041,757	3,497,534
	368,767	2,341,005	273,117
	-	-	8,745
	3,232	336,275	19,973
	(351,923)	(1,367,816)	-
	-	122,605	-
	-	(27,000)	-
	(348,691)	(935,936)	28,718
	20,076	1,405,069	301,835
	-	1,071,549	-
	(13,821)	(2,082,612)	-
	(13,821)	(1,011,063)	-
	6,255	394,006	301,835
	41,303	11,384,333	1,199,384
\$	47,558	\$ 11,778,339	\$ 1,501,219

COUNTY OF CASS, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2006

	Enterprise Funds			
	Medical Care Facility	Delinquent Tax Revolving	Ontwa Township Sewer	Porter Township Sewer
Cash flows from operating activities				
Cash received from customers	\$ 5,988,891	\$ 715,514	\$ 338,967	\$ 676,350
Cash received from interfund services	-	-	-	-
Cash payments to suppliers for goods and services	(2,723,149)	51,171	(534)	(697,972)
Cash payments to employees for services	(3,040,153)	-	-	-
Net cash provided by (used in) operating activities	225,589	766,685	338,433	(21,622)
Cash flows from non-capital financing activities				
Transfers in	72,633	998,916	-	-
Transfers (out)	-	(2,068,791)	-	-
Net cash provided (used) by non-capital financing activities	72,633	(1,069,875)	-	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(98,585)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Interest payments	-	(571)	(338,972)	(676,350)
Principal payments	-	-	(500,000)	(850,000)
Proceeds from long-term debt	-	-	-	-
Net cash used by capital and related financing activities	(98,585)	(571)	(838,972)	(1,526,350)
Cash flows from investing activities				
Interest and rent received	52,789	280,249	5	-
Amounts collected on leases receivable	-	-	496,124	-
Cash outlays for leases receivable	-	-	-	(3,324,440)
Net cash provided (used) by investing activities	52,789	280,249	496,129	(3,324,440)
Net increase (decrease) in cash and cash equivalents	252,426	(23,512)	(4,410)	(4,872,412)
Cash and cash equivalents, beginning of year	1,405,575	6,054,906	171,762	5,107,349
Cash and cash equivalents, end of year	<u>\$ 1,658,001</u>	<u>\$ 6,031,394</u>	<u>\$ 167,352</u>	<u>\$ 234,937</u>
Reconciliation to the Statement of Net Assets				
Cash and cash equivalents	\$ 1,658,001	\$ 6,031,394	\$ 167,352	\$ 234,937
Restricted cash	-	-	-	-
	<u>\$ 1,658,001</u>	<u>\$ 6,031,394</u>	<u>\$ 167,352</u>	<u>\$ 234,937</u>

Nonmajor Funds	Totals	Internal Service
\$ 96,701	\$ 7,816,423	\$ -
-	-	3,830,819
270,045	(3,100,439)	(3,468,387)
-	(3,040,153)	-
366,746	1,675,831	362,432
-	1,071,549	-
(13,821)	(2,082,612)	-
(13,821)	(1,011,063)	-
-	(98,585)	(57,887)
-	-	8,745
(351,923)	(1,367,816)	-
(669,000)	(2,019,000)	-
1,934,000	1,934,000	-
913,077	(1,551,401)	(49,142)
3,232	336,275	19,973
624,007	1,120,131	-
(1,897,986)	(5,222,426)	-
(1,270,747)	(3,766,020)	19,973
(4,745)	(4,652,653)	333,263
60,122	12,799,714	564,867
\$ 55,377	\$ 8,147,061	\$ 898,130
\$ 55,377	\$ 8,147,061	\$ 721,129
-	-	177,001
\$ 55,377	\$ 8,147,061	\$ 898,130

(Continued...)

COUNTY OF CASS, MICHIGAN
Statement of Cash Flows
Proprietary Funds (Concluded)
For the Year Ended September 30, 2006

	Enterprise Funds			
	Medical Care Facility	Delinquent Tax Revolving	Ontwa Township Sewer	Porter Township Sewer
Cash flows from operating activities				
Operating income (loss)	\$ 232,453	\$ 724,468	\$ 338,967	\$ 676,350
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	185,118	-	-	-
Other income	122,605	-	-	-
Other expense	-	(27,000)	-	-
(Increase) decrease in:				
Taxes receivable	-	4,771	-	-
Accounts receivable	(231,635)	-	-	-
Due from other governments	-	(80,668)	-	-
Due from other funds	-	-	-	-
Inventory	1,881	-	-	-
Prepaid expenses	(18,238)	-	-	-
Increase (decrease) in:				
Accounts payable	(54,820)	-	(534)	(697,972)
Accrued expenses	(11,775)	-	-	-
Due to other governments	-	145,114	-	-
Deferred revenue	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 225,589</u>	<u>\$ 766,685</u>	<u>\$ 338,433</u>	<u>\$ (21,622)</u>

Non-cash transactions

There were no non-cash transactions during the fiscal year.

The accompanying notes are an integral part of these financial statements.

Nonmajor Funds	Totals	Internal Service
\$ 368,767	\$ 2,341,005	\$ 273,117
-	185,118	190,253
-	122,605	-
-	(27,000)	-
-	4,771	-
(4,293)	(235,928)	45,118
(352,000)	(432,668)	12,926
-	-	2,124
-	1,881	-
-	(18,238)	(143,581)
354,272	(399,054)	46,036
-	(11,775)	-
-	145,114	-
-	-	(63,561)
<u>\$ 366,746</u>	<u>\$ 1,675,831</u>	<u>\$ 362,432</u>

COUNTY OF CASS, MICHIGAN
Statement of Fiduciary Net Assets
September 30, 2006

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	<u>\$ 3,169,090</u>
Liabilities	
Undistributed taxes	\$ 2,366,845
Other undistributed receipts	<u>802,245</u>
Total liabilities	<u>\$ 3,169,090</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Combining Statement of Net Assets
Component Units
September 30, 2006

	Drain Commission	Economic Development Corporation	Road Commission	Transportation Authority	Total
Assets					
Cash and cash equivalents	\$ 223,859	\$ 83,674	\$ 1,947,340	\$ 515,035	\$ 2,769,908
Receivables, net	-	5,628	843,344	40,149	889,121
Prepaid items and other assets	-	-	779,758	5,985	785,743
Capital assets not being depreciated	-	-	10,567,474	7,524	10,574,998
Capital assets being depreciated, net	768,027	-	27,503,146	254,207	28,525,380
Total assets	991,886	89,302	41,641,062	822,900	43,545,150
Liabilities					
Accounts payable and accrued expenses	211,248	-	606,541	69,720	887,509
Long-term liabilities:					
Due within one year	181,749	-	260,000	-	441,749
Due in more than one year	230,167	-	7,455,371	-	7,685,538
Total liabilities	623,164	-	8,321,912	69,720	9,014,796
Net assets					
Invested in capital assets, net of related debt	356,111	-	30,505,620	261,731	31,123,462
Unrestricted	12,611	89,302	2,813,530	491,449	3,406,892
Total net assets	\$ 368,722	\$ 89,302	\$ 33,319,150	\$ 753,180	\$ 34,530,354

The accompanying notes are an integral part of these financial statements.

COUNTY OF CASS, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended September 30, 2006

	Drain Commission	Economic Development Corporation	Road Commission	Transportation Authority	Total
Expenses					
County Drains	\$ 105,561	\$ -	\$ -	\$ -	\$ 105,561
Economic Development	-	328,772	-	-	328,772
County Roads	-	-	6,567,191	-	6,567,191
Transportation	-	-	-	587,121	587,121
Total expenses	105,561	328,772	6,567,191	587,121	7,588,645
Program revenues					
Charges for services	-	36,646	2,095,972	198,216	2,330,834
Operating grants and contributions	60,206	2,046	5,885,385	536,008	6,483,645
Capital grants and contributions	206,313	-	-	-	206,313
Total program revenues	266,519	38,692	7,981,357	734,224	9,020,792
Change in net assets	160,958	(290,080)	1,414,166	147,103	1,432,147
Net assets, beginning of year, as restated	207,764	379,382	31,904,984	606,077	33,098,207
Net assets, end of year	<u>\$ 368,722</u>	<u>\$ 89,302</u>	<u>\$ 33,319,150</u>	<u>\$ 753,180</u>	<u>\$ 34,530,354</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF CASS, MICHIGAN

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Notes to Financial Statements

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COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Cass, Michigan (the “County” or “government”) was incorporated in 1829 and covers an area of 492 square miles in southwest lower Michigan. The County operates under a fifteen-member elected Board of Commissioners and an appointed County Administrator/Controller.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

A. Reporting entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Blended Component Unit - The Cass County Building Authority is governed by a five-member Board appointed by the Cass County Board of Commissioners. The County Clerk and County Treasurer serve as Secretary and Treasurer of the Authority. Although legally separate from the County, the Cass County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct some of the County’s public buildings. The financial statements of the Cass County Building Authority funds have been consolidated with the County’s related Debt Service Funds and Capital Projects Funds.

Discretely Presented Component Units:

Cass County Drain Commission (the “Drain Commission”) - All drainage districts established pursuant to the Michigan Drain Code of 1956 are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the drain commission of each county involved in the project. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of the drainage district. The Drain Commissioner is required by law to make an annual report to the Board of Commissioners in October. The Drain Commission is financially accountable to the County, and management has determined that it would misleading to exclude the Drain Commission from the County’s financial statements, as defined by GASB Statement No. 14. Accordingly, the Drain Commission is disclosed as a discretely presented component unit. The Drain Commission has a September 30 year end.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Cass County Economic Development Corporation (the “EDC”) - The EDC, organized pursuant to State statutes, was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving or expanding within the County so as to provide needed services and facilities to the residents of the County. The EDC administers the Edward Lowe Business Development Center, which functions as an “incubator” for new businesses in Cass County. The governing body of the EDC is appointed by the County, and the EDC is financially accountable to the County, as defined by GASB Statement No. 14, and is disclosed as a component unit, accordingly. The EDC has a September 30 year end.

Cass County Road Commission (the “Road Commission”) - The Road Commission, established pursuant to State statutes, is governed by a three-member board appointed by the County. Its receipts are deposited with the County Treasurer, who invests certain of those deposits. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, such taxes would be levied under the taxing authority of the County and included as part of the County’s total tax levy. The Road Commission has a September 30 year end.

Cass County Transportation Authority (the “Transportation Authority”) - The Transportation Authority, organized pursuant to State statutes, is responsible for coordinating client transportation for human service agencies in the County. The governing board of the Transportation Authority is appointed by the County. The County has the ability to substantially direct the Authority’s operations, and receives a financial benefit from its relationship with the Authority. Accordingly, the Transportation Authority is considered to be financially accountable to the County, as defined by GASB Statement No. 14. Its receipts are deposited with the County Treasurer, who invests certain of those deposits. The Transportation Authority, which uses proprietary fund type accounting, has a September 30 year end.

Complete financial statements for the Road Commission and Transportation Authority may be obtained at the entity’s administrative offices.

Cass County Road Commission
340 North O’Keefe
Cassopolis, Michigan 49031

Cass County Transportation Authority
c/o Barb Wilson, Clerk/Register
120 North Broadway
Cassopolis, Michigan 49031

The Drain Commission and Economic Development Corporation do not issue separate financial statements.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, State revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *council on aging millage fund* accounts for a special millage for the Council on Aging, a non-profit organization. Financing is provided through a County tax levy.

The *revenue sharing reserve fund* accounts for accelerated property tax collections held for the replacement of future state shared revenues.

The County reports the following major proprietary funds:

The *medical care facility fund* accounts for the operation of the Cass County Medical Care Facility.

The *delinquent tax revolving fund* accounts for money advanced to other local taxing units and various County funds for their delinquent taxes.

The *Ontwa Township and Porter Township sewer funds* account for monies received under capital leases with local governmental units for the construction of, and subsequent debt retirement for, sanitary sewer systems.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Additionally, the County reports the following fund types:

Special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

Debt service funds account for the servicing of general long-term debt not being financed funds.

Capital projects funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal service funds account for operations that provide services (such as equipment rentals and self-insurance) to other departments or agencies of the government, on a cost-reimbursement basis.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Restricted net assets are assets that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

D. Assets, liabilities and equity

1. Deposits and investments

The government's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial papers, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

2. Receivables and payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Equipment, including vehicles	3
Infrastructure (constructed since 1980)	35

5. Compensated absences

Eligible employees are permitted to accumulate earned but unused vacation and sick pay benefits in varying amounts based on length of service and certain other established criteria. Sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in government funds only if they have matured, for example, as a result of employee resignations and retirements.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

6. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *Fund equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. The legal level of budgetary control is at the activity level in the general fund and at the functional level for the special revenue funds. Management may make transfers of appropriations within activities for the general fund and within functions for other governmental funds. Transfers of appropriations between such respective activities or functions require the approval of the Board. The Board made several supplemental budgetary appropriations throughout the year which were not considered material.

The annual budgeting process begins in February of each year. Department heads are required to submit budget requests/recommendations to the County Administrator by May 4. The County Administrator submits a proposed budget to the Board of Commissioners by July 6. Following a public hearing, the Board of Commissioners has until September 30 to adopt the budget, although it normally targets mid-August for the adoption date.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

B. Excess of expenditures over appropriations

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the County were adopted on a activity level basis in the General Fund, and at the functional level for other governmental funds, which is the legal level of control. Expenditures in the combining and individual fund financial statements have been presented at a level of detail greater than the level of legal budgetary control.

In the general fund, employee benefits expenditures exceeded the final budget by \$3,705. In the Council on Aging Millage special revenue fund, health and welfare expenditures exceeded the final budget by \$45,682, due to higher than budgeted tax revenues.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

The County maintains pooled and individual fund demand deposits, certificates of deposit and short-term investment accounts for the primary government and discretely presented component units. Certain imprest demand deposit accounts are also maintained by discretely presented component units.

Following is a reconciliation of deposit and investment balances as of September 30, 2006:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 1,340	\$ 1,000	\$ 2,340
Carrying amount of deposits	14,280,942	2,652,383	16,933,325
Carrying amount of investments	<u>5,404,781</u>	<u>116,525</u>	<u>5,521,306</u>
Total	<u>\$ 19,687,063</u>	<u>\$ 2,769,908</u>	<u>\$ 22,456,971</u>
Statement of Net Assets			
Cash and cash equivalents	\$ 16,340,972	\$ 2,769,908	\$ 19,110,880
Restricted cash	<u>177,001</u>	<u>-</u>	<u>177,001</u>
	16,517,973	2,769,908	19,287,881
Statement of Fiduciary Net Assets			
Cash and cash equivalents	<u>3,169,090</u>	<u>-</u>	<u>3,169,090</u>
Total	<u>\$ 19,687,063</u>	<u>\$ 2,769,908</u>	<u>\$ 22,456,971</u>

Restricted cash consists of the County's deposits with MMRMA. See Note IV-A for additional information.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

The County chooses to disclose its investments by specifically identifying each. As of year end, the County had the following investments.

	<u>Carrying Amount (Fair Value)</u>	<u>Credit Rating</u>
Mutual and cash management funds (uncategorized as to risk)	\$ 3,748,275	-n/a-
Federal Home Loan Bank securities (maturing within one year)	<u>1,773,031</u>	S&P-AAA
	<u>\$ 5,521,306</u>	

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, have been identified above for the County's investments.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year end, \$16,937,791 of the County's bank balance of \$17,437,791 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the County does not have a policy for investment custodial credit risk. The Federal Home Loan Bank securities disclosed above are subject to this risk, as they are held by the County's investment agent.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy limits investments in a single financial institution (with the exception of U.S. Treasury securities and authorized pools) to 40% of the total investment portfolio. All investments held at year end are reported above.

B. Receivables

Receivables in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Taxes (current)	\$ 1,876,823	\$ -
Taxes (delinquent)	-	2,048,791
Accounts	83,479	847,125
Due from other governments	766,462	587,514
Leases (Note III.F.)	-	32,324,923
	<u>\$ 2,726,764</u>	<u>\$ 35,808,353</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. All governmental activities defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue reported in governmental activities were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Governmental Funds:			
Property taxes receivable	\$ 171,251	\$ -	\$ 171,251
Other	-	22,520	22,520
	<u>\$ 171,251</u>	<u>\$ 22,520</u>	<u>\$ 193,771</u>

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

C. Accounts payable

Accounts payable and accrued liabilities in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accounts	\$ 463,871	\$ 659,980
Accrued liabilities	123,893	216,066
Due to other governments	11,326	192,326
Accrued interest on long-term debt	<u>79,633</u>	<u>-</u>
	<u>\$ 678,723</u>	<u>\$ 1,068,372</u>

D. Interfund receivables and payables

The composition of interfund balances as of September 30, 2006, was as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 150,190	\$ -
Nonmajor governmental funds	<u>-</u>	<u>150,190</u>
	<u>\$ 150,190</u>	<u>\$ 150,190</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the year ended September 30, 2006, interfund transfers consisted of the following:

	<u>Transfers Out</u>	<u>Transfers In</u>
General fund	\$ 1,847,363	\$ 2,238,024
Revenue sharing reserve	931,361	-
Nonmajor governmental funds	678,838	2,230,601
Medical care facility	-	72,633
Delinquent tax revolving	2,068,791	998,916
Nonmajor enterprise funds	<u>13,821</u>	<u>-</u>
	<u>\$ 5,540,174</u>	<u>\$ 5,540,174</u>

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Capital assets

Capital assets activity for the primary government for the year ended September 30, 2006, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 395,656	\$ -	\$ -	\$ 395,656
Capital assets, being depreciated:				
Buildings	19,580,297	-	-	19,580,297
Equipment	3,889,260	705,399	(15,450)	4,579,209
Total capital assets being depreciated	23,469,557	705,399	(15,450)	24,159,506
Less accumulated depreciation for:				
Buildings	(6,221,839)	(489,506)	-	(6,711,345)
Equipment	(2,202,120)	(482,839)	15,450	(2,669,509)
Total accumulated depreciation	(8,423,959)	(972,345)	15,450	(9,380,854)
Total capital assets being depreciated, net	15,045,598	(266,946)	-	14,778,652
Capital assets, net	\$ 15,441,254	\$ (266,946)	\$ -	\$ 15,174,308

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Business-Type Activities				
Capital assets, being depreciated:				
Land improvements	\$ 134,280	\$ -	\$ -	\$ 134,280
Buildings	3,722,659	35,538	-	3,758,197
Equipment	1,032,479	63,531	(15,788)	1,080,222
Total capital assets being depreciated	4,889,418	99,069	(15,788)	4,972,699
Less accumulated depreciation for:				
Land improvements	(70,031)	(9,301)	-	(79,332)
Buildings	(2,594,159)	(117,352)	-	(2,711,511)
Equipment	(749,238)	(58,465)	15,304	(792,399)
Total accumulated depreciation	(3,413,428)	(185,118)	15,304	(3,583,242)
Total capital assets being depreciated, net	1,475,990	(86,049)	(484)	1,389,457
Capital assets, net	\$ 1,475,990	\$ (86,049)	\$ (484)	\$ 1,389,457

Depreciation expense was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function:	
Judicial	\$ 269,535
General government	52,952
Public safety	348,687
Health and welfare	78,418
Recreation and cultural	32,500
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	190,253
	<u>\$ 972,345</u>
Depreciation of business-type activities by function:	
Medical care facility	<u>\$ 185,118</u>

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital assets activity for the Drain Commission for the year ended September 30, 2006, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Drain Commission				
Capital assets, being depreciated:				
Infrastructure	\$ 636,236	\$ 242,031	\$ -	\$ 878,267
Less accumulated depreciation	(85,144)	(25,096)	-	(110,240)
Capital assets, net	<u>\$ 551,092</u>	<u>\$ 216,935</u>	<u>\$ -</u>	<u>\$ 768,027</u>

Capital assets activity for the Economic Development Corporation for the year ended September 30, 2006, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Economic Development Corporation				
Capital assets, being depreciated:				
Buildings	\$ 415,000	\$ -	\$ (415,000)	\$ -
Equipment	24,172	-	(24,172)	-
Total capital assets being depreciated	<u>439,172</u>	<u>-</u>	<u>(439,172)</u>	<u>-</u>
Less accumulated depreciation for:				
Buildings	(54,469)	(5,213)	59,682	-
Equipment	(21,420)	(1,884)	23,264	-
Total accumulated depreciation	<u>(75,889)</u>	<u>(7,057)</u>	<u>82,946</u>	<u>-</u>
Capital assets, net	<u>\$ 363,283</u>	<u>\$ (7,057)</u>	<u>\$ (356,226)</u>	<u>\$ -</u>

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Capital assets activity for the Road Commission for the year ended September 30, 2006, was as follows:

	Beginning Balance	Adjustments	Additions	Deductions	Ending Balance
Component unit - Road Commission					
Capital assets not being depreciated:					
Land	\$ 476,756	\$ (234,610)	\$ -	\$ (150,000)	\$ 92,146
Infrastructure - land improvements	10,155,841	-	319,487	-	10,475,328
Total capital assets not being depreciated	10,632,597	(234,610)	319,487	(150,000)	10,567,474
Capital assets being depreciated:					
Land improvements	652,473	-	2,820	-	655,293
Buildings and improvements	7,488,362	-	135,500	-	7,623,862
Road equipment	7,832,494	-	336,472	(187,697)	7,981,269
Shop equipment	200,965	-	4,208	-	205,173
Office equipment	150,114	-	3,204	(507)	152,811
Engineers' equipment	48,829	-	-	-	48,829
Yard and storage	153,954	-	14,235	-	168,189
Depletable assets	78,484	234,610	53,677	-	366,771
Infrastructure	39,797,220	-	1,981,468	-	41,778,688
Subtotal	56,402,895	234,610	2,531,584	(188,204)	58,980,885
Accumulated depreciation and depletion:					
Land improvements	(188,003)	-	(68,809)	-	(256,812)
Buildings and improvements	(844,391)	-	(309,200)	-	(1,153,591)
Equipment	(6,774,272)	-	(562,001)	188,162	(7,148,111)
Depletable assets	(76,662)	-	-	3,199	(73,463)
Infrastructure	(21,360,772)	-	(1,484,990)	-	(22,845,762)
Total accumulated depreciation and depletion	(29,244,100)	-	(2,425,000)	191,361	(31,477,739)
Total capital assets being depreciated, net	27,158,795	234,610	106,584	3,157	27,503,146
Capital assets, net	\$ 37,791,392	\$ -	\$ 426,071	\$ (146,843)	\$ 38,070,620

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Capital assets activity for the Transportation Authority for the year ended September 30, 2006, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Transportation Authority				
Capital assets, not being depreciated:				
Land	\$ 7,524	\$ -	\$ -	\$ 7,524
Capital assets, being depreciated:				
Buildings	357,303	-	-	357,303
Equipment	864,516	73,461	(111,080)	826,897
Total capital assets being depreciated	1,221,819	73,461	(111,080)	1,184,200
Less accumulated depreciation for:				
Buildings	(310,866)	(20,695)	-	(331,561)
Equipment	(665,536)	(43,976)	111,080	(598,432)
Total accumulated depreciation	(976,402)	(64,671)	111,080	(929,993)
Total capital assets being depreciated, net	245,417	8,790	-	254,207
Capital assets, net	\$ 252,941	\$ 8,790	\$ -	\$ 261,731

F. Long-term debt

General Obligation Bonds. The government issues general obligation bonds to provide funds to construct major capital facilities and refund previously issued bonds. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds. Also, under the terms of certain bond agreements, local units have pledged their full faith and credit to pay the County each year such amounts sufficient to make principal and interest payments on those bonds.

The original amount issued of general obligation bonds outstanding at September 30, 2006, was \$51,794,000.

General obligation bonds of business-type activities are offset by capital leases receivable from the local units of government for which the bonds were issued in the County's name. The terms of these capital leases, which relate to water and sewer systems constructed by the County on behalf of the local units, match the debt maturity requirements of the related bonds.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

General obligation bonds outstanding at year end are as follows:

	Issuance Date	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds							
<i>Governmental Activities:</i>							
Building Authority - USDA E-911 Project	01/08/2003	4.63%	\$ 1,245,000	\$ -	\$ 15,000	\$ 1,230,000	\$ 15,000
Building Authority - Law and Courts Building	03/14/2002	4.50%-6.50%	3,840,000	-	125,000	3,715,000	135,000
<i>Total Governmental Activities</i>			5,085,000	-	140,000	4,945,000	150,000
<i>Business-Type Activities:</i>							
Vandalia Water	10/19/2001	4.50%	516,000	-	15,000	501,000	15,000
Vandalia Sewer	05/14/1999	4.75%	396,000	-	9,000	387,000	9,000
Ontwa Township	04/01/2000	5.00%-7.00%	1,000,000	-	500,000	500,000	500,000
Ontwa Township Refunding	04/12/2005	3.50%-4.75%	6,565,000	-	-	6,565,000	-
Paradise Lake Sewer	04/23/2002	4.75%	335,000	-	5,000	330,000	5,000
Porter Township	04/01/2004	3.50%-4.63%	17,100,000	-	850,000	16,250,000	950,000
Painter, Juno and Christiana Lakes Area	06/01/2004	4.00%-4.90%	2,590,000	-	100,000	2,490,000	100,000
Edwardburg Sewer	05/17/2006	4.125%	-	1,934,000	40,000	1,894,000	58,000
Series A - Diamond Lake Sewer	04/01/1994	4.00%-5.40%	1,375,000	-	275,000	1,100,000	275,000
Barron Lake Sewer	09/01/1990	2.00%	975,000	-	75,000	900,000	100,000
Donnell Lake Sewer	09/01/1990	6.00%-7.40%	1,900,000	-	150,000	1,750,000	175,000
<i>Total Business-Type Activities</i>			32,752,000	1,934,000	2,019,000	32,667,000	2,187,000
<i>Total General Obligation Bonds</i>			<u>\$ 37,837,000</u>	<u>\$ 1,934,000</u>	<u>\$ 2,159,000</u>	<u>\$ 37,612,000</u>	<u>\$ 2,337,000</u>

Annual debt service requirements to maturity for general obligation bonds, are as follows:

Years Ending September 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2007	\$ 150,000	\$ 233,818	\$ 2,187,000	\$ 1,351,820
2008	160,000	224,186	2,145,000	1,265,576
2009	170,000	213,836	2,160,000	1,188,417
2010	185,000	202,836	2,150,000	1,113,596
2011	190,000	192,273	1,917,000	1,036,606
2012-2016	1,165,000	812,715	9,664,000	4,002,155
2017-2021	1,555,000	502,181	7,602,000	2,033,073
2022-2026	940,000	170,663	3,645,000	615,551
2027-2031	355,000	67,756	533,000	214,818
2032-2036	75,000	3,469	508,000	96,471
2037-2041	-	-	156,000	17,399
Total	<u>\$ 4,945,000</u>	<u>\$ 2,623,732</u>	<u>\$ 32,667,000</u>	<u>\$ 12,935,481</u>

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Drain Notes Payable. The Drain Commission component unit issues notes payable to fund various drain capital projects. The notes do not have pre-determined maturity schedules. Drain notes payable outstanding at year end are as follows:

	Issuance Date	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Drain Notes							
Component Unit - Drain Commission							
Various drain notes	various	various	\$ 468,333	\$ 94,000	\$ 150,417	\$ 411,916	\$ 181,749

Notes Payable. The Economic Development Corporation issued a note payable for the acquisition of equipment. Notes payable outstanding at year end are as follows:

	Issuance Date	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable							
Component Unit - Economic Development Corporation							
Note Payable - Forklift	04/21/2001	7.01%	\$ 2,054	\$ -	\$ 2,054	\$ -	\$ -

Michigan Transportation Fund Bonds. The Road Commission component unit issues Act 51 Michigan Transportation Fund Bonds. MTF bonds outstanding at year end are as follows:

	Issuance Date	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Michigan Transportation Fund Bonds							
Component Unit - Road Commission							
MTF - Act 51 Bonds, Series 2002	10/01/2003	3.75%-5.13%	\$ 4,025,000	\$ -	\$ 115,000	\$ 3,910,000	\$ 115,000
MTF - Act 51 Bonds, Series 2003	10/01/2002	2.00%-4.50%	3,765,000	-	110,000	3,655,000	110,000
Total Michigan Transportation Fund Bonds			\$ 7,790,000	\$ -	\$ 225,000	\$ 7,565,000	\$ 225,000

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for MTF bonds payable, are as follows:

Years Ending September 30	Component Unit - Road Commission	
	Principal	Interest
2007	\$ 225,000	\$ 435,284
2008	230,000	429,059
2009	240,000	426,869
2010	250,000	424,150
2011	260,000	420,350
2012-2016	1,450,000	2,000,793
2017-2021	1,820,000	1,834,523
2022-2026	2,305,000	1,550,046
2027-2028	785,000	535,251
Total	\$ 7,565,000	\$ 8,056,325

Advance Refundings. In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At September 30, 2006, \$8,450,000 of bonds are considered defeased.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Changes in Long-Term Debt. Long-term liability activity for the year ended September 30, 2006, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities					
General obligation bonds	\$ 5,085,000	\$ -	\$ 140,000	\$ 4,945,000	\$ 150,000
Compensated absences	384,434	383,790	384,434	383,790	383,790
Total Governmental Activities	<u>\$ 5,469,434</u>	<u>\$ 383,790</u>	<u>\$ 524,434</u>	<u>\$ 5,328,790</u>	<u>\$ 533,790</u>
Business-Type Activities					
General obligation bonds	<u>\$ 32,752,000</u>	<u>\$ 1,934,000</u>	<u>\$ 2,019,000</u>	<u>\$ 32,667,000</u>	<u>\$ 2,187,000</u>
Component Units					
Drain Commission					
Drain notes	<u>\$ 468,333</u>	<u>\$ 94,000</u>	<u>\$ 150,417</u>	<u>\$ 411,916</u>	<u>\$ 181,749</u>
Economic Development Corporation					
Notes payable	<u>\$ 2,054</u>	<u>\$ -</u>	<u>\$ 2,054</u>	<u>\$ -</u>	<u>\$ -</u>
Road Commission					
Michigan Transportation Fund Bonds	\$ 7,790,000	\$ -	\$ 225,000	\$ 7,565,000	\$ 225,000
Compensated absences	139,563	245,080	234,272	150,371	35,000
Total Road Commission	<u>\$ 7,929,563</u>	<u>\$ 245,080</u>	<u>\$ 459,272</u>	<u>\$ 7,715,371</u>	<u>\$ 260,000</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

IV. OTHER INFORMATION

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is insured with private carriers for employee health care, life insurance, and disability coverage. The County is a member of the Michigan Municipal Worker's Compensation Fund for its worker's compensation coverage. Effective July 1, 2002, the County became an individual member of the Michigan Municipal Risk Management Authority (MMRMA) for its property and general liability insurance coverage. Prior to July 1, the County's participation in these funds was comparable to purchasing private insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the Self-Insurance – MMRMA Fund) using premiums paid into it by other funds of the County. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs.

Accordingly, the County records a restricted asset for its portion of the unexpended member retention fund. At September 30, 2006, the balance of the County's member retention fund was \$177,001.

Changes in the estimated claims liability are as follows:

	<u>2006</u>	<u>2005</u>
Unpaid claims, beginning of year	\$ 6,023	\$ 2,119
Incurred claims	81,660	3,904
Claim payments	<u>(86,461)</u>	<u>-</u>
Unpaid claims, end of year	<u>\$ 1,222</u>	<u>\$ 6,023</u>

Additionally, the County provides health and wellness benefits to its employees through a self-insurance program that is administered by the County. Premiums are paid into the Self-Insurance internal service fund by all other funds and are available to pay claims and administrative costs of the program. Interfund premiums are based primarily upon claims experience and are reported as quasi-external interfund transactions.

The County estimates the liability for its self-insured coverages and includes both those claims that have been reported as well as those that have not yet been reported. These estimates are prepared with the assistance of the County's third-party administrators for claims management and are recorded in the Self-Insurance internal service fund. Changes in the estimated claims liability are as follows:

	<u>2006</u>	<u>2005</u>
Unpaid claims, beginning of year	\$ -	\$ 9,283
Incurred claims	2,503,891	1,979,503
Claim payments	<u>(2,454,935)</u>	<u>(1,988,786)</u>
Unpaid claims, end of year	<u>\$ 48,956</u>	<u>\$ -</u>

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

B. Property taxes

Heretofore, county property taxes have been levied on December 1 of each year (the lien date) and are due in full by March 1 of the year following the levy, at which time uncollected taxes become delinquent. Pursuant to Public Act 357 of 2005, which provides a funding mechanism to replace state revenue sharing payments to counties, the County's levy date is gradually shifting (or accelerating) from December 1 to July 1 of each year. As such, for the year ended September 30, 2006, the County recognized one-third of the December 1, 2005 levy, and two-thirds of the July 1, 2006 levy. In 2007, and for each year thereafter, all of the County property tax will be levied July 1.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value.

The assessed and taxable value of real and personal property for the 2005 and 2006 levies, for which revenue was recognized in 2006, was \$1,440,331,212 and \$1,542,744,736, respectively. The general operating tax rate for these levies was 4.8307 and 4.7524 mills, respectively, plus an additional 0.9329 mills assessed for Cass County Council on Aging operations, and 0.4931 mills assessed for Drug Enforcement activities.

C. Contingent liabilities

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

D. Employee retirement systems and plans

Plan description

All of the primary government's full-time employees are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, as well as death benefits to plan members and beneficiaries. Separate plans are maintained for County and Medical Care Facility (MCF) employees.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917, or by calling (800) 767-6377.

Funding policy

The County and MCF are required to contribute at an actuarially determined rate; the current rate for the County is .31% to 11.75% of annual covered payroll depending on the employee group and the current rate for the MCF is 0% of annual covered payroll. Participating employees are required to contribute 4.0% to 5.0% of their annual salary depending on their assigned department. The contribution requirements of the County and MCF are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

For the year ended September 30, 2006, the annual pension costs of \$428,282 and \$104,689 were equal to the required and actual contributions of the County and MCF, respectively. The required contributions were determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increase of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County and MCF's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2005.

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County			
2004	\$ 302,868	100%	\$ -0-
2005	257,973	100	-0-
2006	428,108	100	-0-
Medical Care Facility			
2004	\$ 95,614	100%	\$ -0-
2005	74,690	100	-0-
2006	104,689	100	-0-

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Schedule of Funding Progress

Actuarial Valuation Date <u>12/31</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Actuarial Liability (UAL)	Funded Ratio	Covered Payroll	UAL as a Percentage of Covered Payroll
County						
1996	\$ 5,775,325	\$ 5,759,434	\$ (15,891)	100%	\$3,123,565	0%
1997	6,407,373	6,196,344	(211,029)	103	3,238,511	(7)
1998	7,235,131	7,452,545	217,414	97	3,629,069	6
1999	8,373,257	7,974,361	(398,896)	105	4,198,999	(9)
2000	9,339,760	9,957,653	617,893	94	4,428,553	14
2001	10,009,432	10,570,883	561,451	95	4,520,063	12
2002	10,470,960	12,151,651	1,680,691	86	4,688,202	36
2003	11,264,474	12,979,073	1,714,599	87	4,862,595	35
2004	11,875,330	13,870,522	1,995,192	86	4,857,729	41
2005	12,630,145	15,022,756	2,392,611	84	5,638,032	42

Actuarial Valuation Date <u>12/31</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Actuarial Liability (UAL)	Funded Ratio	Covered Payroll	UAL as a Percentage of Covered Payroll
Medical Care Facility						
1996	\$1,701,523	\$1,759,972	\$ 58,449	97%	\$1,552,186	4%
1997	1,957,659	1,775,030	(182,629)	110	1,489,809	(12)
1998	2,157,722	1,987,835	(169,887)	109	1,483,197	(11)
1999	2,450,233	2,280,594	(169,639)	107	1,749,470	(10)
2000	2,782,936	2,197,593	(585,343)	127	1,648,659	(36)
2001	3,025,974	2,518,692	(507,282)	120	1,727,970	(29)
2002	3,238,758	2,770,079	(468,679)	117	1,923,401	(24)
2003	3,301,082	2,812,069	(489,013)	117	1,958,134	(25)
2004	3,550,991	3,023,162	(527,829)	117	1,933,752	(27)
2005	3,736,755	3,093,962	(642,793)	121	1,791,771	(36)

Road Commission Defined Contribution Pension Plan

Effective March 25, 1976, the Cass County Road Commission began to provide pension benefits for substantially all of its full-time employees through the Cass County Road Commission Defined Contribution Pension Plan, a defined contribution plan. The Cass County Board of County Road Commissioners is the administrator of the plan and also establishes and amends the plan provisions and the contribution requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after completing one year of service. By County Resolution, the plan requires the Road Commission to contribute, on behalf of each covered employee, 7.0% of the employees' compensation, except overtime and disability payments made to hourly employees.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Participants may make voluntary contributions into the plan. The Road Commission's contributions for each employee (and interest allocated to the employee's account) are partially vested after three years of continuous service and fully vested after ten years of continuous service. The employee contributions become fully vested at the time of their contribution to the plan. Road Commission contributions for, and interest forfeited by, employees who leave employment before ten years of service are used to reduce the Road Commission's current-period contribution requirement. Vesting is based on years of participation in the plan. If the employee withdraws from the plan, that period of time is not included as time vested.

The Road Commission made the required contribution to the plan, amounting to \$113,662, and employee contributions were \$129,105 for the year ended September 30, 2006.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

COUNTY OF CASS, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2006

	Special Revenue	Debt Service	Capital Projects Law & Courts Building	Totals
Assets				
Cash and cash equivalents	\$ 3,837,608	\$ 8,917	\$ 10,147	\$ 3,856,672
Accounts receivable	2,477	-	-	2,477
Due from other governments	275,938	-	-	275,938
 <u>TOTAL ASSETS</u>	 \$ 4,116,023	 \$ 8,917	 \$ 10,147	 \$ 4,135,087
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 147,708	\$ -	\$ -	\$ 147,708
Due to other governments	4,395	-	-	4,395
Due to other funds	150,190	-	-	150,190
 Total liabilities	 302,293	 -	 -	 302,293
 Fund balances				
Unreserved, undesignated	3,813,730	8,917	10,147	3,832,794
 <u>TOTAL LIABILITIES, AND FUND BALANCES</u>	 \$ 4,116,023	 \$ 8,917	 \$ 10,147	 \$ 4,135,087

COUNTY OF CASS, MICHIGAN
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2006

	Special Revenue	Debt Service	Capital Projects Law & Courts Building	Totals
Revenue				
Taxes and special assessments	\$ 714,756	\$ -	\$ -	\$ 714,756
Intergovernmental	1,227,854	-	-	1,227,854
Contributions	18,663	-	-	18,663
Fines and forfeits	66,300	-	-	66,300
Charges for services	252,985	-	-	252,985
Interest and rentals	138,875	-	116	138,991
Other revenue/reimbursements	723,754	-	-	723,754
Total revenue	3,143,187	-	116	3,143,303
Expenditures				
Current:				
Judicial	205,504	-	-	205,504
General government	3,505	-	-	3,505
Public safety	2,072,429	-	-	2,072,429
Health and welfare	1,276,291	-	-	1,276,291
Recreation and cultural	12,538	-	-	12,538
Debt service:				
Principal	-	140,000	-	140,000
Interest	-	243,211	-	243,211
Capital outlay	47,620	-	770	48,390
Total expenditures	3,617,887	383,211	770	4,001,868
Revenue (under) expenditures	(474,700)	(383,211)	(654)	(858,565)
Other financing sources (uses)				
Transfers in	1,847,363	383,238	-	2,230,601
Transfers (out)	(678,838)	-	-	(678,838)
Total other financing sources	1,168,525	383,238	-	1,551,763
Net changes in fund balances	693,825	27	(654)	693,198
Fund balances, beginning of year	3,119,905	8,890	10,801	3,139,596
Fund balances, end of year	\$ 3,813,730	\$ 8,917	\$ 10,147	\$ 3,832,794

COUNTY OF CASS, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2006

	Friend of the Court	Family Drug Court Implementation	Marcellus Township Community Policing	Public Improvement	Jail Facility
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ 31,467	\$ 13,908	\$ 4,317	\$ 474,401	\$ 15,398
Accounts receivable	-	-	-	-	-
Due from other governments	-	15,898	46,440	-	-
<u>TOTAL ASSETS</u>	\$ 31,467	\$ 29,806	\$ 50,757	\$ 474,401	\$ 15,398
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ -	\$ 19,806	\$ 1,434	\$ 771	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	10,000	45,000	-	-
Total liabilities	-	29,806	46,434	771	-
Fund balances					
Unreserved, undesignated	31,467	-	4,323	473,630	15,398
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 31,467	\$ 29,806	\$ 50,757	\$ 474,401	\$ 15,398

Register of Deeds Automation	Area Swine Agent	Building Strong Families	Budget Stabilization	Howard Township Drug Forfeiture	Animal Control Donation	Central Dispatch	2004 Homeland Security Grant
\$ 286,693	\$ 12,344	\$ 13,272	\$ 835,392	\$ 5,708	\$ 40,336	\$ 2,170	\$ -
1,440	-	-	-	-	1,037	-	-
-	-	4,144	-	-	-	78,988	28,744

\$ 288,133	\$ 12,344	\$ 17,416	\$ 835,392	\$ 5,708	\$ 41,373	\$ 81,158	\$ 28,744
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\$ 1,948	\$ 41	\$ 16,073	\$ -	\$ -	\$ 500	\$ 5,357	\$ 54
-	-	-	-	-	-	-	-
-	-	-	-	-	-	50,000	28,690

1,948	41	16,073	-	-	500	55,357	28,744
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286,185	12,303	1,343	835,392	5,708	40,873	25,801	-
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\$ 288,133	\$ 12,344	\$ 17,416	\$ 835,392	\$ 5,708	\$ 41,373	\$ 81,158	\$ 28,744
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COUNTY OF CASS, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2006

	Traffic Enforcement	DARE Program	Sheriff's Drug Forfeiture	Prosecutor's Drug Forfeiture	Sheriff's Non-Drug Forfeiture
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ 29,591	\$ 44,665	\$ 96,123	\$ 9,635	\$ 5,588
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
<u>TOTAL ASSETS</u>	\$ 29,591	\$ 44,665	\$ 96,123	\$ 9,635	\$ 5,588
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 12	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	-	12	-	-
Fund balances					
Undesignated	29,591	44,665	96,111	9,635	5,588
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 29,591	\$ 44,665	\$ 96,123	\$ 9,635	\$ 5,588

Corrections Officer Training	Law Library	Drug Enforcement Team	Sheriff's Justice Training Grant	Local Law Enforcement Block Grant	Haunted Woods Community Policing	Community Policing Activities	Community Policing Scholarship Golf
\$ 59,857	\$ 4,068	\$ 316,502	\$ 21,556	\$ 8,360	\$ 20,797	\$ 5,324	\$ 18,791
-	-	-	-	-	-	-	-
6,000	-	-	-	-	-	-	-
\$ 65,857	\$ 4,068	\$ 316,502	\$ 21,556	\$ 8,360	\$ 20,797	\$ 5,324	\$ 18,791
\$ 553	\$ 1,245	\$ 9,690	\$ -	\$ -	\$ -	\$ -	\$ 890
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
553	1,245	9,690	-	-	-	-	890
65,304	2,823	306,812	21,556	8,360	20,797	5,324	17,901
\$ 65,857	\$ 4,068	\$ 316,502	\$ 21,556	\$ 8,360	\$ 20,797	\$ 5,324	\$ 18,791

continued...

COUNTY OF CASS, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Concluded)
September 30, 2006

	Community Development Block Grant	Community Corrections Grant	Social Welfare	Medical Care Facility Millage	Child Care
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ 128,643	\$ 6,357	\$ 95,967	\$ 915,163	\$ 204,457
Accounts receivable	-	-	-	-	-
Due from other governments	-	20,168	-	-	47,602
<hr/>					
<u>TOTAL ASSETS</u>	\$ 128,643	\$ 26,525	\$ 95,967	\$ 915,163	\$ 252,059
<hr/>					
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 38,993	\$ 10,025	\$ -	\$ -	\$ 39,208
Due to other governments	-	-	-	-	4,395
Due to other funds	-	16,500	-	-	-
<hr/>					
Total liabilities	38,993	26,525	-	-	43,603
Fund balances					
Undesignated	89,650	-	95,967	915,163	208,456
<hr/>					
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 128,643	\$ 26,525	\$ 95,967	\$ 915,163	\$ 252,059
<hr/>					

Soldiers' and Sailors' Relief	Veterans' Trust	Historical Commission	Child Care Social Welfare	Homestead Exemption Interest	Total
\$ 586	\$ 2,238	\$ 3,019	\$ 104,915	\$ -	\$ 3,837,608
-	-	-	-	-	2,477
-	-	-	27,954	-	275,938
\$ 586	\$ 2,238	\$ 3,019	\$ 132,869	\$ -	\$ 4,116,023
\$ -	\$ 530	\$ 578	\$ -	\$ -	\$ 147,708
-	-	-	-	-	4,395
-	-	-	-	-	150,190
-	530	578	-	-	302,293
586	1,708	2,441	132,869	-	3,813,730
\$ 586	\$ 2,238	\$ 3,019	\$ 132,869	\$ -	\$ 4,116,023

COUNTY OF CASS, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2006

	Friend of the Court	Family Drug Court Implementation	Marcellus Township Community Policing	Public Improvement	Jail Facility
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 159
Intergovernmental	-	193,308	159,092	-	-
Contributions	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Charges for services	26,344	-	-	-	-
Interest and rentals	1,371	-	-	5,536	863
Other revenue	-	-	-	9,350	-
Total revenue	27,715	193,308	159,092	14,886	1,022
Expenditures					
Current:					
Judicial	-	193,308	-	-	-
General government	-	-	-	-	-
Public safety	-	-	161,034	-	1,676
Health and welfare	-	-	-	-	-
Recreation and cultural	-	-	-	-	-
Capital outlay	-	-	-	47,619	-
Total expenditures	-	193,308	161,034	47,619	1,676
Revenue over (under) expenditures	27,715	-	(1,942)	(32,733)	(654)
Other financing sources (uses)					
Transfers in	-	-	6,226	413,576	-
Transfers (out)	(10,000)	-	-	-	(8,795)
Total other financing sources (uses)	(10,000)	-	6,226	413,576	(8,795)
Net changes in fund balances	17,715	-	4,284	380,843	(9,449)
Fund balances, beginning of year	13,752	-	39	92,787	24,847
Fund balances, end of year	\$ 31,467	\$ -	\$ 4,323	\$ 473,630	\$ 15,398

Register of Deeds Automation	Area Swine Agent	Building Strong Families	Budget Stabilization	Howard Township Drug Forfeiture	Animal Control Donation	Central Dispatch	2004 Homeland Security Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	41,084	-	-	24,045	-	45,700
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
76,015	-	-	-	-	-	-	-
18,507	933	-	7,171	251	260	-	-
-	-	-	-	-	-	662,155	-
94,522	933	41,084	7,171	251	24,305	662,155	45,700
-	-	-	-	-	-	-	-
3,505	-	-	-	-	-	-	-
-	-	-	-	-	9,367	876,053	45,700
-	934	51,269	-	-	-	-	-
-	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
3,506	934	51,269	-	-	9,367	876,053	45,700
91,016	(1)	(10,185)	7,171	251	14,938	(213,898)	-
-	-	-	827,152	-	-	-	-
-	-	-	(466,024)	-	-	(72,581)	-
-	-	-	361,128	-	-	(72,581)	-
91,016	(1)	(10,185)	368,299	251	14,938	(286,479)	-
195,169	12,304	11,528	467,093	5,457	25,935	312,280	-
\$ 286,185	\$ 12,303	\$ 1,343	\$ 835,392	\$ 5,708	\$ 40,873	\$ 25,801	\$ -

continued...

COUNTY OF CASS, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended September 30, 2006

	Traffic Enforcement	DARE Program	Sheriff's Drug Forfeiture	Prosecutor's Drug Forfeiture	Sheriff's Non-Drug Forfeiture
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Contributions	-	-	-	-	-
Fines and forfeits	-	-	22,488	-	3,152
Charges for services	-	-	-	-	-
Interest and rentals	-	-	4,449	387	-
Other revenue	-	-	1,000	-	4,406
Total revenue	-	-	27,937	387	7,558
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	3,982	-	4,575	-	2,517
Health and welfare	-	-	-	-	-
Recreation and cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	3,982	-	4,575	-	2,517
Revenue over (under) expenditures	(3,982)	-	23,362	387	5,041
Other financing sources (uses)					
Transfers in	20,000	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	20,000	-	-	-	-
Net changes in fund balances	16,018	-	23,362	387	5,041
Fund balances, beginning of year	13,573	44,665	72,749	9,248	547
Fund balances, end of year	\$ 29,591	\$ 44,665	\$ 96,111	\$ 9,635	\$ 5,588

Corrections Officer Training	Law Library	Drug Enforcement Team	Sheriff's Justice Training Grant	Local Law Enforcement Block Grant	Haunted Woods Community Policing	Community Policing Activities	Community Policing Scholarship Golf
\$ -	\$ -	\$ 715,094	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	440	4,409	-	-	-	-
-	-	-	-	-	-	-	18,663
-	4,500	36,160	-	-	-	-	-
21,800	-	-	-	-	-	-	-
-	-	-	-	-	1,155	408	2,011
-	-	-	450	-	-	-	-
21,800	4,500	751,694	4,859	-	1,155	408	20,674
-	12,196	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,407	-	691,538	8,341	-	-	638	27,133
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,407	12,196	691,538	8,341	-	-	638	27,133
17,393	(7,696)	60,156	(3,482)	-	1,155	(230)	(6,459)
-	9,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	9,000	-	-	-	-	-	-
17,393	1,304	60,156	(3,482)	-	1,155	(230)	(6,459)
47,911	1,519	246,656	25,038	8,360	19,642	5,554	24,360
\$ 65,304	\$ 2,823	\$ 306,812	\$ 21,556	\$ 8,360	\$ 20,797	\$ 5,324	\$ 17,901

continued...

COUNTY OF CASS, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (Concluded)
For the Year Ended September 30, 2006

	Community Development Block Grant	Community Corrections Grant	Social Welfare	Medical Care Facility Millage	Child Care
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ (497)	\$ -
Intergovernmental	-	229,602	56,445	-	331,174
Contributions	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Charges for services	82,080	-	-	-	44,066
Interest and rentals	-	-	-	46,768	-
Other revenue	-	-	-	-	22,875
Total revenue	82,080	229,602	56,445	46,271	398,115
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	235,468	-	-	-
Health and welfare	104,042	-	68,569	-	752,614
Recreation and cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	104,042	235,468	68,569	-	752,614
Revenue over (under) expenditures	(21,962)	(5,866)	(12,124)	46,271	(354,499)
Other financing sources (uses)					
Transfers in	-	2,877	-	-	353,000
Transfers (out)	-	-	-	(72,633)	-
Total other financing sources (uses)	-	2,877	-	(72,633)	353,000
Net changes in fund balances	(21,962)	(2,989)	(12,124)	(26,362)	(1,499)
Fund balances, beginning of year	111,612	2,989	108,091	941,525	209,955
Fund balances, end of year	\$ 89,650	\$ -	\$ 95,967	\$ 915,163	\$ 208,456

Soldiers' and Sailors' Relief	Veterans' Trust	Historical Commission	Child Care Social Welfare	Homestead Exemption Interest	Total
\$ -	\$ -	\$ -	\$ -	\$ -	714,756
-	5,096	-	137,459	-	1,227,854
-	-	-	-	-	18,663
-	-	-	-	-	66,300
-	-	2,680	-	-	252,985
-	-	-	-	48,805	138,875
-	-	-	23,518	-	723,754
-	5,096	2,680	160,977	48,805	3,143,187
-	-	-	-	-	205,504
-	-	-	-	-	3,505
-	-	-	-	-	2,072,429
1,384	4,043	-	293,436	-	1,276,291
-	-	12,538	-	-	12,538
-	-	-	-	-	47,620
1,384	4,043	12,538	293,436	-	3,617,887
(1,384)	1,053	(9,858)	(132,459)	48,805	(474,700)
-	-	7,900	207,632	-	1,847,363
-	-	-	-	(48,805)	(678,838)
-	-	7,900	207,632	(48,805)	1,168,525
(1,384)	1,053	(1,958)	75,173	-	693,825
1,970	655	4,399	57,696	-	3,119,905
\$ 586	\$ 1,708	\$ 2,441	\$ 132,869	\$ -	\$ 3,813,730

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2006

	Friend of the Court		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	9,870	26,344	16,474
Interest and rentals	-	1,371	1,371
Other revenue	-	-	-
Total revenue	9,870	27,715	17,845
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	9,870	27,715	17,845
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(10,000)	(10,000)	-
Total other financing sources (uses)	(10,000)	(10,000)	-
Net changes in fund balances	(130)	17,715	17,845
Fund balances, beginning of year	13,752	13,752	-
Fund balances, end of year	\$ 13,622	\$ 31,467	\$ 17,845

Family Drug Court Implementation			Marcellus Township Community Policing		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
193,308	193,308	-	183,223	159,092	(24,131)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
193,308	193,308	-	183,223	159,092	(24,131)
193,308	193,308	-	-	-	-
-	-	-	-	-	-
-	-	-	188,457	161,034	(27,423)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
193,308	193,308	-	188,457	161,034	(27,423)
-	-	-	(5,234)	(1,942)	3,292
-	-	-	-	6,226	6,226
-	-	-	-	-	-
-	-	-	-	6,226	6,226
-	-	-	(5,234)	4,284	9,518
-	-	-	39	39	-
\$ -	\$ -	\$ -	\$ (5,195)	\$ 4,323	\$ 9,518

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	Public Improvement		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	700	5,536	4,836
Other revenue	4,923	9,350	4,427
Total revenue	5,623	14,886	9,263
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	47,719	47,619	(100)
Total expenditures	47,719	47,619	(100)
Revenue over (under) expenditures	(42,096)	(32,733)	9,363
Other financing sources (uses)			
Transfers in	-	413,576	413,576
Transfers (out)	-	-	-
Total other financing sources (uses)	-	413,576	413,576
Net changes in fund balances	(42,096)	380,843	422,939
Fund balances, beginning of year	92,787	92,787	-
Fund balances, end of year	\$ 50,691	\$ 473,630	\$ 422,939

Jail Facility			Register of Deeds Automation		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ 159	\$ 159	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	78,000	76,015	(1,985)
295	863	568	-	18,507	18,507
-	-	-	-	-	-
295	1,022	727	78,000	94,522	16,522
-	-	-	-	-	-
-	-	-	66,638	3,505	(63,133)
1,676	1,676	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	200,000	1	(199,999)
1,676	1,676	-	266,638	3,506	(263,132)
(1,381)	(654)	727	(188,638)	91,016	279,654
-	-	-	-	-	-
(16,276)	(8,795)	7,481	-	-	-
(16,276)	(8,795)	7,481	-	-	-
(17,657)	(9,449)	8,208	(188,638)	91,016	279,654
24,847	24,847	-	195,169	195,169	-
\$ 7,190	\$ 15,398	\$ 8,208	\$ 6,531	\$ 286,185	\$ 279,654

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	Area Swine Agent		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	933	933
Other revenue	-	-	-
Total revenue	-	933	933
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	3,450	934	(2,516)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	3,450	934	(2,516)
Revenue over (under) expenditures	(3,450)	(1)	3,449
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(3,450)	(1)	3,449
Fund balances, beginning of year	12,304	12,304	-
Fund balances, end of year	\$ 8,854	\$ 12,303	\$ 3,449

Building Strong Families			Budget Stabilization		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47,379	41,084	(6,295)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	7,171	7,171
-	-	-	-	-	-
47,379	41,084	(6,295)	-	7,171	7,171
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
53,411	51,269	(2,142)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
53,411	51,269	(2,142)	-	-	-
(6,032)	(10,185)	(4,153)	-	7,171	7,171
-	-	-	-	827,152	827,152
-	-	-	(466,024)	(466,024)	-
-	-	-	(466,024)	361,128	827,152
(6,032)	(10,185)	(4,153)	(466,024)	368,299	834,323
11,528	11,528	-	467,093	467,093	-
\$ 5,496	\$ 1,343	\$ (4,153)	\$ 1,069	\$ 835,392	\$ 834,323

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

		Howard Township Drug Forfeiture	
		Budget	Actual
		Actual Over (Under) Final Budget	
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	251	251
Other revenue	-	-	-
Total revenue	-	251	251
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	-	251	251
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	251	251
Fund balances, beginning of year	5,457	5,457	-
Fund balances, end of year	\$ 5,457	\$ 5,708	\$ 251

Animal Control Donation			Central Dispatch		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,000	24,045	14,045	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
349	260	(89)	-	-	-
-	-	-	701,245	662,155	(39,090)
10,349	24,305	13,956	701,245	662,155	(39,090)
-	-	-	-	-	-
-	-	-	-	-	-
12,500	9,367	(3,133)	922,702	876,053	(46,649)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,500	9,367	(3,133)	922,702	876,053	(46,649)
(2,151)	14,938	17,089	(221,457)	(213,898)	7,559
-	-	-	-	-	-
-	-	-	(69,000)	(72,581)	(3,581)
-	-	-	(69,000)	(72,581)	(3,581)
(2,151)	14,938	17,089	(290,457)	(286,479)	3,978
25,935	25,935	-	312,280	312,280	-
\$ 23,784	\$ 40,873	\$ 17,089	\$ 21,823	\$ 25,801	\$ 3,978

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	2004 Homeland Security Grant		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	40,563	45,700	5,137
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	40,563	45,700	5,137
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	57,597	45,700	(11,897)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	57,597	45,700	(11,897)
Revenue over (under) expenditures	(17,034)	-	17,034
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(17,034)	-	17,034
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ (17,034)	\$ -	\$ 17,034

Traffic Enforcement			DARE Program		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	2,000	-	(2,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,000	-	(2,000)
-	-	-	-	-	-
-	-	-	-	-	-
20,000	3,982	(16,018)	1,000	-	(1,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,000	3,982	(16,018)	1,000	-	(1,000)
(20,000)	(3,982)	16,018	1,000	-	(1,000)
20,000	20,000	-	-	-	-
-	-	-	(31,078)	-	31,078
20,000	20,000	-	(31,078)	-	31,078
-	16,018	16,018	(30,078)	-	30,078
13,573	13,573	-	44,665	44,665	-
\$ 13,573	\$ 29,591	\$ 16,018	\$ 14,587	\$ 44,665	\$ 30,078

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	Sheriff's Drug Forfeiture		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	6,400	22,488	16,088
Charges for services	-	-	-
Interest and rentals	-	4,449	4,449
Other revenue	-	1,000	1,000
	<hr/>	<hr/>	<hr/>
Total revenue	6,400	27,937	21,537
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	13,084	4,575	(8,509)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	13,084	4,575	(8,509)
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(6,684)	23,362	30,046
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	(6,684)	23,362	30,046
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	72,749	72,749	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 66,065</u>	<u>\$ 96,111</u>	<u>\$ 30,046</u>

Prosecutor's Drug Forfeiture			Sheriff's Non-Drug Forfeiture		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,000	3,152	(3,848)
-	-	-	-	-	-
50	387	337	-	-	-
-	-	-	-	4,406	4,406
50	387	337	7,000	7,558	558
50	-	(50)	-	-	-
-	-	-	-	-	-
-	-	-	4,159	2,517	(1,642)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50	-	(50)	4,159	2,517	(1,642)
-	387	387	2,841	5,041	2,200
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	387	387	2,841	5,041	2,200
9,248	9,248	-	547	547	-
\$ 9,248	\$ 9,635	\$ 387	\$ 3,388	\$ 5,588	\$ 2,200

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	Corrections Officer Training		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	24,000	21,800	(2,200)
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	24,000	21,800	(2,200)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	16,000	4,407	(11,593)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	16,000	4,407	(11,593)
Revenue over (under) expenditures	8,000	17,393	9,393
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	8,000	17,393	9,393
Fund balances, beginning of year	47,911	47,911	-
Fund balances, end of year	\$ 55,911	\$ 65,304	\$ 9,393

Law Library			Drug Enforcement Team		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 698,000	\$ 715,094	\$ 17,094
-	-	-	-	440	440
-	-	-	-	-	-
4,500	4,500	-	10,000	36,160	26,160
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,500	4,500	-	708,000	751,694	43,694
13,500	12,196	(1,304)	-	-	-
-	-	-	-	-	-
-	-	-	746,054	691,538	(54,516)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,500	12,196	(1,304)	746,054	691,538	(54,516)
(9,000)	(7,696)	1,304	(38,054)	60,156	98,210
9,000	9,000	-	-	-	-
-	-	-	-	-	-
9,000	9,000	-	-	-	-
-	1,304	1,304	(38,054)	60,156	98,210
1,519	1,519	-	246,656	246,656	-
\$ 1,519	\$ 2,823	\$ 1,304	\$ 208,602	\$ 306,812	\$ 98,210

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	Sheriff's Justice Training Grant		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	8,000	4,409	(3,591)
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	450	450
Total revenue	8,000	4,859	(3,141)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	10,000	8,341	(1,659)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	10,000	8,341	(1,659)
Revenue over (under) expenditures	(2,000)	(3,482)	(1,482)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(2,000)	(3,482)	(1,482)
Fund balances, beginning of year	25,038	25,038	-
Fund balances, end of year	\$ 23,038	\$ 21,556	\$ (1,482)

Local Law Enforcement Block Grant			Haunted Woods Community Policing		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	150	1,155	1,005
-	-	-	-	-	-
-	-	-	150	1,155	1,005
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	11,000	-	(11,000)
-	-	-	-	-	-
-	-	-	-	-	-
8,360	-	(8,360)	-	-	-
8,360	-	(8,360)	11,000	-	(11,000)
(8,360)	-	8,360	(10,850)	1,155	12,005
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(8,360)	-	8,360	(10,850)	1,155	12,005
8,360	8,360	-	19,642	19,642	-
\$ -	\$ 8,360	\$ 8,360	\$ 8,792	\$ 20,797	\$ 12,005

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	Community Policing Activities		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	408	408
Other revenue	-	-	-
Total revenue	-	408	408
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	6,613	638	(5,975)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	6,613	638	(5,975)
Revenue over (under) expenditures	(6,613)	(230)	6,383
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(6,613)	(230)	6,383
Fund balances, beginning of year	5,554	5,554	-
Fund balances, end of year	\$ (1,059)	\$ 5,324	\$ 6,383

Community Policing Scholarship Golf			Community Development Block Grant		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	50,000	-	(50,000)
17,838	18,663	825	-	-	-
-	-	-	-	-	-
-	-	-	90,000	82,080	(7,920)
-	2,011	2,011	-	-	-
-	-	-	-	-	-
17,838	20,674	2,836	140,000	82,080	(57,920)
-	-	-	-	-	-
-	-	-	-	-	-
27,338	27,133	(205)	-	-	-
-	-	-	173,000	104,042	(68,958)
-	-	-	-	-	-
-	-	-	-	-	-
27,338	27,133	(205)	173,000	104,042	(68,958)
(9,500)	(6,459)	3,041	(33,000)	(21,962)	11,038
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(9,500)	(6,459)	3,041	(33,000)	(21,962)	11,038
24,360	24,360	-	111,612	111,612	-
\$ 14,860	\$ 17,901	\$ 3,041	\$ 78,612	\$ 89,650	\$ 11,038

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	Community Corrections Grant		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	233,675	229,602	(4,073)
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	233,675	229,602	(4,073)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	238,640	235,468	(3,172)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	238,640	235,468	(3,172)
Revenue over (under) expenditures	(4,965)	(5,866)	(901)
Other financing sources (uses)			
Transfers in	2,877	2,877	-
Transfers (out)	-	-	-
Total other financing sources (uses)	2,877	2,877	-
Net changes in fund balances	(2,088)	(2,989)	(901)
Fund balances, beginning of year	2,989	2,989	-
Fund balances, end of year	\$ 901	\$ -	\$ (901)

Social Welfare			Medical Care Facility Millage		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ (522)	\$ (497)	\$ 25
56,445	56,445	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,000	46,768	36,768
-	-	-	-	-	-
56,445	56,445	-	9,478	46,271	36,793
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
68,570	68,569	(1)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
68,570	68,569	(1)	-	-	-
(12,125)	(12,124)	1	9,478	46,271	36,793
-	-	-	-	-	-
-	-	-	(199,478)	(72,633)	126,845
-	-	-	(199,478)	(72,633)	126,845
(12,125)	(12,124)	1	(190,000)	(26,362)	163,638
108,091	108,091	-	941,525	941,525	-
\$ 95,966	\$ 95,967	\$ 1	\$ 751,525	\$ 915,163	\$ 163,638

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	Child Care		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	226,554	331,174	104,620
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	30,000	44,066	14,066
Interest and rentals	-	-	-
Other revenue	11,500	22,875	11,375
Total revenue	268,054	398,115	130,061
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	758,691	752,614	(6,077)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	758,691	752,614	(6,077)
Revenue over (under) expenditures	(490,637)	(354,499)	136,138
Other financing sources (uses)			
Transfers in	353,000	353,000	-
Transfers (out)	-	-	-
Total other financing sources (uses)	353,000	353,000	-
Net changes in fund balances	(137,637)	(1,499)	136,138
Fund balances, beginning of year	209,955	209,955	-
Fund balances, end of year	\$ 72,318	\$ 208,456	\$ 136,138

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COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended September 30, 2006

	Historical Commission		Actual Over (Under) Final Budget
	Budget	Actual	
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	2,680	2,680	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	2,680	2,680	-
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	12,538	12,538	-
Capital outlay	-	-	-
Total expenditures	12,538	12,538	-
Revenue over (under) expenditures	(9,858)	(9,858)	-
Other financing sources (uses)			
Transfers in	7,900	7,900	-
Transfers (out)	-	-	-
Total other financing sources (uses)	7,900	7,900	-
Net changes in fund balances	(1,958)	(1,958)	-
Fund balances, beginning of year	4,399	4,399	-
Fund balances, end of year	\$ 2,441	\$ 2,441	\$ -

Child Care Social Welfare			Homestead Exemption Interest		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
240,308	137,459	(102,849)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	48,806	48,805	(1)
10,000	23,518	13,518	-	-	-
250,308	160,977	(89,331)	48,806	48,805	(1)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
415,264	293,436	(121,828)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
415,264	293,436	(121,828)	-	-	-
(164,956)	(132,459)	32,497	48,806	48,805	(1)
207,632	207,632	-	-	-	-
-	-	-	(48,806)	(48,805)	1
207,632	207,632	-	(48,806)	(48,805)	1
42,676	75,173	32,497	-	-	-
57,696	57,696	-	-	-	-
\$ 100,372	\$ 132,869	\$ 32,497	\$ -	\$ -	\$ -

continued...

COUNTY OF CASS, MICHIGAN
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Concluded)
Special Revenue Funds
For the Year Ended September 30, 2006

	Total		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ 697,478	\$ 714,756	\$ 17,278
Intergovernmental	1,293,500	1,227,854	(65,646)
Contributions	19,838	18,663	(1,175)
Fines and forfeits	27,900	66,300	38,400
Charges for services	234,550	252,985	18,435
Interest and rentals	60,350	138,875	78,525
Other revenue	727,668	723,754	(3,914)
Total revenue	3,061,284	3,143,187	81,903
Expenditures			
Current:			
Judicial	206,858	205,504	(1,354)
General government	66,638	3,505	(63,133)
Public safety	2,276,820	2,072,429	(204,391)
Health and welfare	1,478,431	1,276,291	(202,140)
Recreation and cultural	12,538	12,538	-
Capital outlay	256,079	47,620	(208,459)
Total expenditures	4,297,364	3,617,887	(679,477)
Revenue over (under) expenditures	(1,236,080)	(474,700)	761,380
Other financing sources (uses)			
Transfers in	600,409	1,847,363	1,246,954
Transfers (out)	(840,662)	(678,838)	161,824
Total other financing sources (uses)	(240,253)	1,168,525	1,408,778
Net changes in fund balances	(1,476,333)	693,825	2,170,158
Fund balances, beginning of year	3,119,905	3,119,905	-
Fund balances, end of year	\$ 1,643,572	\$ 3,813,730	\$ 2,170,158

COUNTY OF CASS, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2006

	Building Authority E-911 Building	Law and Courts Building	Total
<hr/>			
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 11	\$ 8,906	\$ 8,917
	<hr/>		
<u>FUND BALANCES</u>			
Fund balances			
Unreserved, undesignated	\$ 11	\$ 8,906	\$ 8,917
	<hr/>		

COUNTY OF CASS, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended September 30, 2006

	Building Authority E-911 Building	Law and Courts Building	Total
Revenue			
Interest and rentals	\$ -	\$ -	\$ -
Expenditures			
Debt service:			
Principal	15,000	125,000	140,000
Interest and fiscal charges	57,581	185,630	243,211
Total expenditures	72,581	310,630	383,211
Revenue (under) expenditures	(72,581)	(310,630)	(383,211)
Other financing sources			
Transfers in	72,581	310,657	383,238
Net changes in fund balances	-	27	27
Fund balances, beginning of year	11	8,879	8,890
Fund balances, end of year	\$ 11	\$ 8,906	\$ 8,917

COUNTY OF CASS, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
September 30, 2006

	Jail Commissary Fund	Village of Vandalia Water	Village of Vandalia Sewer	Paradise Lake Sewer
Assets				
Current assets:				
Cash and cash equivalents	\$ 48,143	\$ -	\$ 1,652	\$ -
Accounts receivable	8,808	-	-	-
Due from other governments	-	-	-	-
Current portion of lease receivable	-	15,000	9,000	5,000
Total current assets	56,951	15,000	10,652	5,000
Noncurrent assets:				
Leases receivable, net of current portion	-	486,000	376,348	325,000
Total assets	56,951	501,000	387,000	330,000
Liabilities				
Current liabilities:				
Accounts payable	9,393	-	-	-
Current portion of long-term debt	-	15,000	9,000	5,000
Total current liabilities	9,393	15,000	9,000	5,000
Long-term liabilities:				
Due in more than one year	-	486,000	378,000	325,000
Total liabilities	9,393	501,000	387,000	330,000
Net assets				
Unrestricted	\$ 47,558	\$ -	\$ -	\$ -

Painter Juno Christiana	Edwardsburg Sewer	Indian Lake Sewer Refunding	Diamond Lake Sewer	Barron Lake Wastewater	Donnell Lake Sewer	Total
\$ -	\$ 764	\$ -	\$ 3,673	\$ 492	\$ 653	\$ 55,377
-	-	-	-	-	-	8,808
-	352,000	-	-	-	-	352,000
100,000	58,000	-	275,000	100,000	175,000	737,000
100,000	410,764	-	278,673	100,492	175,653	1,153,185
2,390,000	1,835,070	-	821,327	799,508	1,574,347	8,607,600
2,490,000	2,245,834	-	1,100,000	900,000	1,750,000	9,760,785
-	351,834	-	-	-	-	361,227
100,000	58,000	-	275,000	100,000	175,000	737,000
100,000	409,834	-	275,000	100,000	175,000	1,098,227
2,390,000	1,836,000	-	825,000	800,000	1,575,000	8,615,000
2,490,000	2,245,834	-	1,100,000	900,000	1,750,000	9,713,227
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,558

COUNTY OF CASS, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended September 30, 2006

	Jail Commissary Fund	Village of Vandalia Water	Village of Vandalia Sewer	Paradise Lake Sewer
Operating revenue				
Charges for services	\$ 87,256	\$ 22,883	\$ 18,596	\$ 29,615
Operating expense				
Cost of services	84,227	-	-	-
Operating income (loss)	3,029	22,883	18,596	29,615
Non-operating revenue (expenses)				
Interest revenue	3,226	-	-	-
Interest expense	-	(22,883)	(18,596)	(15,794)
Total non-operating revenue (expenses)	3,226	(22,883)	(18,596)	(15,794)
Income (loss) before transfers	6,255	-	-	13,821
Transfers				
Transfers out	-	-	-	(13,821)
Change in net assets	6,255	-	-	-
Net assets, beginning of year	41,303	-	-	-
Net assets, end of year	\$ 47,558	\$ -	\$ -	\$ -

Painter Juno Christiana	Edwardsburg Sewer	Indian Lake Sewer Refunding	Diamond Lake Sewer	Barron Lake Wastewater	Donnell Lake Sewer	Total
\$ 113,140	\$ 5,160	\$ -	\$ 27,500	\$ 53,513	\$ 95,331	\$ 452,994
-	-	-	-	-	-	84,227
113,140	5,160	-	27,500	53,513	95,331	368,767
-	-	-	-	-	6	3,232
(113,140)	(5,160)	-	(27,500)	(53,513)	(95,337)	(351,923)
(113,140)	(5,160)	-	(27,500)	(53,513)	(95,331)	(348,691)
-	-	-	-	-	-	20,076
-	-	-	-	-	-	(13,821)
-	-	-	-	-	-	6,255
-	-	-	-	-	-	41,303
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,558

COUNTY OF CASS, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2006

	Jail Commissary Fund	Village of Vandalia Water	Village of Vandalia Sewer	Paradise Lake Sewer
Cash flows from operating activities				
Cash received from customers	\$ 82,963	\$ 22,883	\$ 18,596	\$ 29,615
Cash payments to suppliers for goods and services	(81,778)	-	-	-
Net cash provided (used) by operating activities	1,185	22,883	18,596	29,615
Cash flows from non-capital financing activities				
Transfers out	-	-	-	(13,821)
Cash flows from capital and related financing activities				
Interest payments	-	(22,883)	(18,596)	(15,794)
Principal payments	-	(15,000)	(9,000)	(5,000)
Proceeds from long-term debt	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	(37,883)	(27,596)	(20,794)
Cash flows from investing activities				
Interest received	3,226	-	-	-
Amounts collected on leases receivable	-	15,000	9,000	-
Cash outlays for leases receivable	-	-	-	(4,916)
Net cash provided (used) by investing activities	3,226	15,000	9,000	(4,916)
Net increase (decrease) in cash and cash equivalents	4,411	-	-	(9,916)
Cash and cash equivalents, beginning of year	43,732	-	1,652	9,916
Cash and cash equivalents, end of year	<u>\$ 48,143</u>	<u>\$ -</u>	<u>\$ 1,652</u>	<u>\$ -</u>

Painter Juno Christiana	Edwardsburg Sewer	Indian Lake Sewer Refunding	Diamond Lake Sewer	Barron Lake Wastewater	Donnell Lake Sewer	Total
\$ 113,140	\$ (346,840)	\$ -	\$ 27,500	\$ 53,513	\$ 95,331	\$ 96,701
-	351,834	(11)	-	-	-	270,045
113,140	4,994	(11)	27,500	53,513	95,331	366,746
-	-	-	-	-	-	(13,821)
(113,140)	(5,160)	-	(27,500)	(53,513)	(95,337)	(351,923)
(100,000)	(40,000)	-	(275,000)	(75,000)	(150,000)	(669,000)
-	1,934,000	-	-	-	-	1,934,000
(213,140)	1,888,840	-	(302,500)	(128,513)	(245,337)	913,077
-	-	-	-	-	6	3,232
100,000	-	-	275,000	75,000	150,007	624,007
-	(1,893,070)	-	-	-	-	(1,897,986)
100,000	(1,893,070)	-	275,000	75,000	150,013	(1,270,747)
-	764	(11)	-	-	7	(4,745)
-	-	11	3,673	492	646	60,122
\$ -	\$ 764	\$ -	\$ 3,673	\$ 492	\$ 653	\$ 55,377

(Continued...)

COUNTY OF CASS, MICHIGAN
Combining Statement of Cash Flows
Enterprise Funds (Concluded)
For the Year Ended September 30, 2006

	Jail Commissary Fund	Village of Vandalia Water	Village of Vandalia Sewer	Paradise Lake Sewer
Cash flows from operating activities				
Operating income (loss)	\$ 3,029	\$ 22,883	\$ 18,596	\$ 29,615
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	(4,293)	-	-	-
Due from other governments	-	-	-	-
Increase (decrease) in:				
Accounts payable	2,449	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 1,185</u>	<u>\$ 22,883</u>	<u>\$ 18,596</u>	<u>\$ 29,615</u>

Painter Juno Christiana	Edwardsburg Sewer	Indian Lake Sewer Refunding	Diamond Lake Sewer	Barron Lake Wastewater	Donnell Lake Sewer	Total
\$ 113,140	\$ 5,160	\$ -	\$ 27,500	\$ 53,513	\$ 95,331	\$ 368,767
-	-	-	-	-	-	(4,293)
-	(352,000)	-	-	-	-	(352,000)
-	351,834	(11)	-	-	-	354,272
\$ 113,140	\$ 4,994	\$ (11)	\$ 27,500	\$ 53,513	\$ 95,331	\$ 366,746

COUNTY OF CASS, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
September 30, 2006

	Motor Pool	Office, Equipment, Computer Pool	Self- Insurance
Assets			
Current assets:			
Cash and cash equivalents	\$ 210,482	\$ 63,450	\$ 447,197
Accounts receivable	-	-	743
Prepaid expenses	-	-	277,766
Total current assets	<u>210,482</u>	<u>63,450</u>	<u>725,706</u>
Noncurrent assets			
Restricted cash	-	-	-
Capital assets being depreciated, net	194,303	185,702	-
Total noncurrent assets	<u>194,303</u>	<u>185,702</u>	<u>-</u>
Total assets	<u>404,785</u>	<u>249,152</u>	<u>725,706</u>
Liabilities			
Current liabilities:			
Accounts payable	-	-	54,203
Total liabilities, all current	<u>-</u>	<u>-</u>	<u>54,203</u>
Net assets			
Invested in capital assets	194,303	185,702	-
Unrestricted	<u>210,482</u>	<u>63,450</u>	<u>671,503</u>
Total net assets	<u><u>\$ 404,785</u></u>	<u><u>\$ 249,152</u></u>	<u><u>\$ 671,503</u></u>

Self-Insurance - MMRMA		Total
\$	-	\$ 721,129
	-	743
	-	277,766
	-	999,638
	177,001	177,001
	-	380,005
	177,001	557,006
	177,001	1,556,644
	1,222	55,425
	1,222	55,425
	-	380,005
	175,779	1,121,214
\$	175,779	\$ 1,501,219

COUNTY OF CASS, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2006

	Motor Pool	Office, Equipment, Computer Pool	Self- Insurance
Operating revenue			
Charges for services	\$ 155,838	\$ 41,455	\$ 3,451,477
Operating expense			
Cost of services	-	-	3,225,621
Depreciation	161,089	29,164	-
Total operating expense	161,089	29,164	3,225,621
Operating income (loss)	(5,251)	12,291	225,856
Non-operating revenue			
Gain on disposal of capital assets	8,745	-	-
Interest earned on investments	-	-	11,338
Non-operating revenue	8,745	-	11,338
Change in net assets	3,494	12,291	237,194
Net assets, beginning of year	401,291	236,861	434,309
Net assets, end of year	\$ 404,785	\$ 249,152	\$ 671,503

Self- Insurance - MMRMA	Total
<u>\$ 121,881</u>	<u>\$ 3,770,651</u>
81,660	3,307,281
-	190,253
<u>81,660</u>	<u>3,497,534</u>
<u>40,221</u>	<u>273,117</u>
-	8,745
<u>8,635</u>	<u>19,973</u>
<u>8,635</u>	<u>28,718</u>
48,856	301,835
<u>126,923</u>	<u>1,199,384</u>
<u><u>\$ 175,779</u></u>	<u><u>\$ 1,501,219</u></u>

COUNTY OF CASS, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2006

	Motor Pool	Office, Equipment, Computer Pool	Self- Insurance
Cash flows from operating activities			
Cash received from interfund services	\$ 155,838	\$ 41,455	\$ 3,511,645
Cash payments to suppliers for goods and services	-	-	(3,381,926)
Net cash provided by (used in) operating activities	155,838	41,455	129,719
Cash flows from capital and related financing activities			
Purchase of capital assets	(24,836)	(33,051)	-
Proceeds from the sale of capital assets	8,745	-	-
Net cash used by capital and related financing activities	(16,091)	(33,051)	-
Cash flows from investing activities			
Interest earnings	-	-	11,338
Net increase (decrease) in cash and cash equivalents	139,747	8,404	141,057
Cash and cash equivalents, beginning of year	70,735	55,046	306,140
Cash and cash equivalents, end of year	\$ 210,482	\$ 63,450	\$ 447,197
Balance sheet classification of cash and cash equivalents			
Cash and cash equivalents	\$ 210,482	\$ 63,450	\$ 447,197
Restricted cash	-	-	-
	\$ 210,482	\$ 63,450	\$ 447,197

Self- Insurance - MMRMA		Total	
<hr/>		<hr/>	
\$	121,881	\$	3,830,819
	(86,461)		(3,468,387)
<hr/>		<hr/>	
	35,420		362,432
<hr/>		<hr/>	
	-		(57,887)
	-		8,745
<hr/>		<hr/>	
	-		(49,142)
<hr/>		<hr/>	
	8,635		19,973
<hr/>		<hr/>	
	44,055		333,263
	132,946		564,867
<hr/>		<hr/>	
\$	177,001	\$	898,130
<hr/>		<hr/>	
\$	-	\$	721,129
	177,001		177,001
<hr/>		<hr/>	
\$	177,001	\$	898,130
<hr/>		<hr/>	

(continued...)

COUNTY OF CASS, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds (Concluded)
For the Year Ended September 30, 2006

	Motor Pool	Office, Equipment, Computer Pool	Self- Insurance
Cash flows from operating activities			
Operating income (loss)	\$ (5,251)	\$ 12,291	\$ 225,856
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	161,089	29,164	-
(Increase) decrease in:			
Accounts receivable	-	-	45,118
Due from other governments	-	-	12,926
Due from other funds	-	-	2,124
Prepaid expenses	-	-	(143,581)
Increase (decrease) in:			
Accounts payable	-	-	50,837
Deferred revenue	-	-	(63,561)
Net cash provided by (used in) operating activities	<u>\$ 155,838</u>	<u>\$ 41,455</u>	<u>\$ 129,719</u>

Self- Insurance - MMRMA		Total
\$ 40,221		\$ 273,117
-		190,253
-		45,118
-		12,926
-		2,124
-		(143,581)
(4,801)		46,036
-		(63,561)
\$ 35,420		\$ 362,432

COUNTY OF CASS, MICHIGAN
Combining Balance Sheet
Fiduciary Funds
September 30, 2006

	<u>Agency Funds</u>			
	<u>Trust and Agency</u>	<u>Library Penal Fines</u>	<u>District Court</u>	<u>Friend of the Court</u>
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 2,888,329	\$ 33,847	\$ 161,293	\$ 375
<u>LIABILITIES</u>				
Liabilities				
Undistributed taxes	\$ 2,366,845	\$ -	\$ -	\$ -
Other undistributed receipts	521,484	33,847	161,293	375
<u>TOTAL LIABILITIES</u>	<u>\$ 2,888,329</u>	<u>\$ 33,847</u>	<u>\$ 161,293</u>	<u>\$ 375</u>

Inmate Trust	Payroll Clearing	Total
<hr/>		
\$ 49,092	\$ 36,154	\$ 3,169,090
<hr/>		

\$ -	\$ -	\$ 2,366,845
49,092	36,154	802,245
<hr/>		
\$ 49,092	\$ 36,154	\$ 3,169,090
<hr/>		

COUNTY OF CASS, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2006

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Trust and Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 3,343,300	\$ 25,334,613	\$ 25,789,584	\$ 2,888,329
<u>TOTAL ASSETS</u>	\$ 3,343,300	\$ 25,334,613	\$ 25,789,584	\$ 2,888,329
Liabilities				
Undistributed tax collections	\$ 2,865,431	\$ 7,674,362	\$ 8,172,948	\$ 2,366,845
Other undistributed receipts	477,869	17,660,251	17,616,636	521,484
<u>TOTAL LIABILITIES</u>	\$ 3,343,300	\$ 25,334,613	\$ 25,789,584	\$ 2,888,329
<u>Library Penal Fines</u>				
Assets				
Cash and cash equivalents	\$ 62,255	\$ 191,400	\$ 219,808	\$ 33,847
Liabilities				
Other undistributed receipts	\$ 62,255	\$ 191,400	\$ 219,808	\$ 33,847
<u>District Court</u>				
Assets				
Cash and cash equivalents	\$ 194,974	\$ 1,539,821	\$ 1,573,502	\$ 161,293
Liabilities				
Other undistributed receipts	\$ 194,974	\$ 1,539,821	\$ 1,573,502	\$ 161,293

Continued...

COUNTY OF CASS, MICHIGAN
Combining Statement of Changes in Assets and Liabilities (Continued)
All Agency Funds
For the Year Ended September 30, 2006

	Beginning Balance		Additions		Deductions		Ending Balance
<hr/>							
<u>Friend of the Court</u>							
Assets							
Cash and cash equivalents	\$ -		\$ 319,268		\$ 318,893		\$ 375
<hr/>							
Liabilities							
Other undistributed receipts	\$ -		\$ 319,268		\$ 318,893		\$ 375
<hr/>							
<u>Inmate Trust Fund</u>							
Assets							
Cash and cash equivalents	\$ 37,292		\$ 332,934		\$ 321,134		\$ 49,092
<hr/>							
Liabilities							
Other undistributed receipts	\$ 37,292		\$ 332,934		\$ 321,134		\$ 49,092
<hr/>							
<u>Payroll Clearing Fund</u>							
Assets							
Cash and cash equivalents	\$ 31,792		\$ 2,654,249		\$ 2,649,887		\$ 36,154
<hr/>							
Liabilities							
Other undistributed receipts	\$ 31,792		\$ 2,654,249		\$ 2,649,887		\$ 36,154
<hr/>							

Continued...

COUNTY OF CASS, MICHIGAN
Combining Statement of Changes in Assets and Liabilities (Concluded)
All Agency Funds
For the Year Ended September 30, 2006

	Beginning Balance	Additions	Deductions	Ending Balance
<hr/>				
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 3,669,613	\$ 30,372,285	\$ 30,872,808	\$ 3,169,090
	<hr/>			
<u>TOTAL ASSETS</u>	\$ 3,669,613	\$ 30,372,285	\$ 30,872,808	\$ 3,169,090
	<hr/>			
Liabilities				
Undistributed tax collections	\$ 2,865,431	\$ 7,674,362	\$ 8,172,948	\$ 2,366,845
Other undistributed receipts	804,182	22,697,923	22,699,860	802,245
	<hr/>			
<u>TOTAL LIABILITIES</u>	\$ 3,669,613	\$ 30,372,285	\$ 30,872,808	\$ 3,169,090
	<hr/>			

COUNTY OF CASS, MICHIGAN
Statement of Net Assets / Governmental Funds Balance Sheet
Drain Commission Component Unit
September 30, 2006

	Capital Projects Funds		
	Drain	Drain Revolving	Lake Level
Assets			
Cash and cash equivalents	\$ 10,809	\$ 197,047	\$ 16,003
Due from other funds	-	19,000	-
Capital assets, net	-	-	-
Total assets	\$ 10,809	\$ 216,047	\$ 16,003
Liabilities			
Accounts payable	\$ 528	\$ -	\$ 6,720
Due to other funds	10,000	-	9,000
Due to other governments	-	204,000	-
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	10,528	204,000	15,720
Fund balances			
Unreserved, undesignated	281	12,047	283
Total liabilities and fund balances	\$ 10,809	\$ 216,047	\$ 16,003
Net assets			
Invested in capital assets, net of related debt			
Unrestricted			
Total net assets			

		Statement of Net Assets	
Total	Adjustments		
\$ 223,859	\$ -	\$ 223,859	
19,000	(19,000)	-	
-	768,027	768,027	
<hr/>			
\$ 242,859	749,027	991,886	
<hr/>			
\$ 7,248	-	7,248	
19,000	(19,000)	-	
204,000	-	204,000	
-	181,749	181,749	
-	230,167	230,167	
<hr/>			
230,248	392,916	623,164	
12,611	(12,611)	-	
<hr/>			
\$ 242,859			
<hr/>			
	356,111	356,111	
	12,611	12,611	
<hr/>			
\$ 368,722	\$ 368,722		
<hr/>			

COUNTY OF CASS, MICHIGAN
Statement of Activities / Governmental Funds Revenue,
Expenditures, and Changes in Fund Balances
Drain Commission Component Unit
For the Year Ended September 30, 2006

	Capital Projects Funds		
	Drain	Drain Revolving	Lake Level
Revenue			
Special assessments	\$ 85,386	\$ -	\$ 120,927
Interest	1,396	12,047	7,263
Other	2,500	-	37,000
Total revenue	89,282	12,047	165,190
Expenditures/Expenses			
Debt service:			
Principal	66,667	-	83,750
Interest and fiscal charges	5,062	-	9,727
Public works	115,814	-	191,893
Total expenditures/expenses	187,543	-	285,370
Revenue over (under) expenditures/expenses	(98,261)	12,047	(120,180)
Other financing sources			
Issuance of long-term debt	94,000	-	-
Transfers in	1,500	-	-
Transfers out	-	-	(1,500)
Total other financing sources	95,500	-	(1,500)
Change in fund balances / net assets	(2,761)	12,047	(121,680)
Fund balances / net assets, beginning of year	3,042	-	121,963
Fund balances / net assets, end of year	\$ 281	\$ 12,047	\$ 283

Total		Adjustments	Statement of Activities
\$	206,313	\$ -	\$ 206,313
	20,706	-	20,706
	39,500	-	39,500
	266,519	-	266,519
	150,417	(150,417)	-
	14,789	-	14,789
	307,707	(216,935)	90,772
	472,913	(367,352)	105,561
	(206,394)	367,352	160,958
	94,000	(94,000)	-
	1,500	(1,500)	-
	(1,500)	1,500	-
	94,000	(94,000)	-
	(112,394)	273,352	160,958
	125,005	82,759	207,764
\$	12,611	\$ 356,111	\$ 368,722

COUNTY OF CASS, MICHIGAN
Economic Development Corporation Component Unit
Statement of Net Assets
September 30, 2006

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
	Economic Development Corporation	Edward Lowe Business Development Center	Total
Assets			
Cash and cash equivalents	\$ 83,674	\$ -	\$ 83,674
Accounts receivable	5,628	-	5,628
Total assets	89,302	-	89,302
Liabilities			
Accounts payable	-	-	-
Long-term liabilities:			
Due within one year	-	-	-
Total liabilities	-	-	-
Net assets			
Unrestricted	89,302	-	89,302
Total net assets	\$ 89,302	\$ -	\$ 89,302

COUNTY OF CASS, MICHIGAN
Economic Development Corporation Component Unit
Statement of Activities
For the Year Ended September 30, 2006

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
	<u>Economic Development Corporation</u>	<u>Edward Lowe Business Development Center</u>	<u>Total</u>
Program revenues			
Charges for services	\$ -	\$ 36,646	\$ 36,646
Interest and rentals	1,310	-	1,310
Total program revenues	2,046	36,646	38,692
Expenses			
Cost of services	-	73,846	73,846
Health and welfare	2,643	-	2,643
Depreciation	-	7,057	7,057
Loss on disposal of capital assets	-	245,226	245,226
Total expenses	2,643	326,129	328,772
Income (loss) before transfers	(597)	(289,483)	(290,080)
Transfers			
Transfers in	76,028	-	76,028
Transfers out	-	(76,028)	(76,028)
Total transfers	76,028	(76,028)	-
Change in net assets	75,431	(365,511)	(290,080)
Net assets, beginning of year	13,871	365,511	379,382
Net assets, end of year	<u>\$ 89,302</u>	<u>\$ -</u>	<u>\$ 89,302</u>

STATISTICAL SECTION

COUNTY OF CASS, MICHIGAN
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For the Year Ending September 30, 2006

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in the 2003 fiscal year; schedules presenting government-wide information include information beginning that year.

Table 1

COUNTY OF CASS, MICHIGAN
Net Assets By Component
Last Four Years

	Fiscal Year			
	2006	2005	2004	2003
Governmental activities				
Invested in capital assets, net of related debt	\$ 10,239,455	\$ 10,367,055	\$ 10,844,423	\$ 10,239,455
Restricted	3,914,860	4,460,200	4,474,428	3,914,859
Unrestricted	6,466,532	3,825,186	2,799,212	6,466,532
Total governmental activities net assets	<u>\$ 20,620,847</u>	<u>\$ 18,652,441</u>	<u>\$ 18,118,063</u>	<u>\$ 20,620,846</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 1,389,457	\$ 1,475,990	\$ 1,537,891	\$ 1,389,457
Unrestricted	10,388,882	9,908,343	9,810,627	10,375,061
Total business-type activities net assets	<u>\$ 11,778,339</u>	<u>\$ 11,384,333</u>	<u>\$ 11,348,518</u>	<u>\$ 11,764,518</u>
Primary government				
Invested in capital assets, net of related debt	\$ 11,628,912	\$ 11,843,045	\$ 12,382,314	\$ 11,628,912
Restricted	3,914,860	4,460,200	4,474,428	3,914,859
Unrestricted	16,855,414	13,733,529	12,609,839	16,841,593
Total primary government net assets	<u>\$ 32,399,186</u>	<u>\$ 30,036,774</u>	<u>\$ 29,466,581</u>	<u>\$ 32,385,364</u>

Table 2

COUNTY OF CASS, MICHIGAN
Changes in Nets Assets
Last Four Years

	Fiscal Year			
	2006	2005	2004	2003
Expenses				
Governmental activities:				
Legislative	\$ 194,158	\$ 158,948	\$ 199,353	\$ 192,593
Judicial	2,975,736	2,478,695	3,028,764	2,910,733
General government	3,584,731	2,436,841	3,159,304	3,191,288
Public safety	6,931,775	5,514,622	6,235,087	5,754,789
Public works	2,568	2,323	2,854	1,682
Health and welfare	3,298,333	2,736,171	3,109,592	2,955,726
Recreation and cultural	93,788	107,155	129,812	119,056
Other governmental activities	-	-	344,703	316,358
Interest on long-term debt	287,709	138,505	255,105	324,057
Total governmental activities expenses	17,368,798	13,573,260	16,464,574	15,766,282
Business-type activities expenses:				
Medical Care Facility	5,863,587	4,168,286	5,355,298	5,224,325
Delinquent tax collections/forfeitures	121,514	121,309	51,182	-
Jail Commissary	84,227	57,577	67,018	66,955
Public works projects	1,367,245	657,657	1,282,433	1,056,379
Total business-type activities	7,436,573	5,004,829	6,755,931	6,347,659
Total primary government expenses	\$ 24,805,371	\$ 18,578,089	\$ 23,220,505	\$ 22,113,941
Program Revenues				
Governmental activities:				
Charges for services	\$ 2,189,402	\$ 1,608,136	\$ 2,100,255	\$ 1,947,735
Operating grants and contributions	4,188,517	3,304,954	4,095,294	3,849,764
Capital Grants and Contributions	-	-	33,674	25,634
Total government activities program revenue	6,377,919	4,913,090	6,229,223	5,797,499
Business-type activities				
Charges for services	7,995,647	4,670,924	6,472,495	5,923,093
Operating grants and contributions	845,995	527,919	536,756	691,120
Total business-type activities program revenues	8,841,642	5,198,843	7,009,251	6,614,213
Total primary government revenues	\$ 15,219,561	\$ 10,111,933	\$ 13,238,474	\$ 12,411,712
Net (Expense) Revenue				
Governmental activities	\$ (10,990,879)	\$ (8,660,170)	\$ (10,235,351)	\$ (9,968,783)
Business-type activities	1,405,069	194,014	253,320	266,554
Total primary government net expense	\$ (9,585,810)	\$ (8,466,156)	\$ (9,982,031)	\$ (9,702,229)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	\$ 11,497,562	\$ 8,634,970	\$ 9,917,329	\$ 7,420,793
Grants and contributions not restricted to specific programs	232,931	216,387	698,791	1,168,757
Unrestricted investment earnings	208,984	168,520	116,750	121,068
Gain on sale of capital assets	8,745	16,472	5,312	5,939
Transfers	1,011,063	158,199	504,900	327,773
Total governmental activities	12,959,285	9,194,548	11,243,082	9,044,330
Business-type activities:				
Transfers	(1,011,063)	(158,199)	(504,900)	(327,773)
Total primary government	\$ 11,948,222	\$ 9,036,349	\$ 10,738,182	\$ 8,716,557
Change in Net Assets				
Governmental activities	\$ 1,968,406	\$ 534,378	\$ 1,007,731	\$ (924,453)
Business-type activities	394,006	35,815	(251,580)	(61,219)
Total primary government	\$ 2,362,412	\$ 570,193	\$ 756,151	\$ (985,672)

Table 3

COUNTY OF CASS, MICHIGAN
Fund Balances - Governmental Funds
Last Ten Years

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved	\$ 101,130	\$ 100,329	\$ 14,347	\$ 8,113	\$ 128,827	\$ 74,986	\$ 74,447	\$ 97,453	\$ 99,130	\$ 64,044
Unreserved	2,948,894	3,382,272	2,275,161	2,207,582	2,149,685	2,774,056	2,435,504	2,607,165	2,179,169	1,844,645
Total general fund	\$ 3,050,024	\$ 3,482,601	\$ 2,289,508	\$ 2,215,695	\$ 2,278,512	\$ 2,849,042	\$ 2,509,951	\$ 2,704,618	\$ 2,278,299	\$ 1,908,689
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue funds	\$ 6,493,409	\$ 4,460,200	\$ 4,813,655	\$ 3,711,886	\$ 3,713,777	\$ 3,793,846	\$ 3,572,613	\$ 2,914,580	\$ 2,460,741	\$ 1,789,989
Debt service funds	8,917	8,890	8,737	8,715	15,657	15,160	82,180	13,893	13,929	13,609
Capital projects funds	10,147	10,801	12,369	159,058	4,032,311	1,123,910	2,070,935	391,369	514,899	185,825
Total all other governmental funds	\$ 6,512,473	\$ 4,479,891	\$ 4,834,761	\$ 3,879,659	\$ 7,761,745	\$ 4,932,916	\$ 5,725,728	\$ 3,319,842	\$ 2,989,569	\$ 1,989,423
Total fund balance of all governmental funds	\$ 9,562,497	\$ 7,962,492	\$ 7,124,269	\$ 6,095,354	\$ 10,040,257	\$ 7,781,958	\$ 8,235,679	\$ 6,024,460	\$ 5,267,868	\$ 3,898,112

Table 4

COUNTY OF CASS, MICHIGAN
Changes in Fund Balances - Governmental Funds
Last Ten Years

	Fiscal Year									
	2006	2005 (9 mo. yr.)	2004	2003	2002	2001	2000	1999	1998	1997
Revenues										
Taxes and special assessments	\$ 11,392,562	\$ 8,613,612	\$ 9,896,352	\$ 7,419,872	\$ 8,143,892	\$ 7,610,064	\$ 7,437,848	\$ 7,201,361	\$ 6,823,721	\$ 6,466,813
Intergovernmental	3,194,188	2,677,983	3,719,640	3,738,636	6,084,471	4,889,946	4,336,917	5,490,545	4,167,714	3,538,871
Licenses and permits	141,502	125,936	151,787	150,412	113,916	119,313	95,487	92,962	96,853	92,949
Contributions	18,663	19,147	25,743	90,262	1,931,298	2,000,901	1,443,552	1,045,486	966,038	970,953
Fines and forfeits	169,250	87,471	85,492	124,915	72,604	93,961	117,025	144,012	143,584	175,328
Charges for services	1,954,732	1,453,677	1,941,735	1,813,260	1,791,923	1,687,428	2,124,539	1,753,371	1,534,361	1,380,600
Interest and rentals	541,971	331,293	379,579	456,188	820,664	1,024,544	1,359,081	1,139,866	1,362,292	1,094,485
Other revenue/reimbursements	1,066,388	834,873	1,038,347	1,056,401	1,176,274	1,216,587	503,624	489,161	445,539	489,841
Total revenues	18,479,256	14,143,992	17,238,675	14,849,946	20,135,042	18,642,744	17,418,073	17,356,764	15,540,102	14,209,840
Expenditures										
Current:										
Legislative	194,195	158,964	199,395	194,868	137,294	131,712	127,663	131,763	120,163	109,704
Judicial	2,795,290	2,261,397	2,858,990	2,713,078	2,533,540	2,325,758	2,208,520	2,112,139	1,949,140	1,901,289
General government	3,428,939	2,607,738	3,234,800	3,128,035	3,250,444	3,117,084	3,037,051	2,711,599	2,585,408	2,355,762
Public safety	6,876,486	5,455,483	6,214,794	5,686,236	5,619,940	5,255,098	5,143,756	4,943,635	4,158,632	3,997,656
Public works	2,568	2,323	2,689	2,594	2,120	2,193	24,625	1,468	735	2,654
Health and welfare	3,227,612	2,660,702	3,038,418	2,879,227	3,035,176	3,427,867	2,825,412	2,830,646	2,846,013	2,464,230
Recreation and cultural	61,288	74,655	97,312	86,556	131,248	88,774	93,995	73,206	63,746	52,241
Other	301,522	94,202	344,703	317,133	594,986	288,219	198,332	198,812	183,931	206,558
Debt service:										
Principal	140,000	10,000	130,000	117,000	1,738,000	1,660,950	1,258,000	1,215,000	1,163,050	1,025,000
Interest	243,211	123,994	255,793	229,778	1,062,777	987,615	806,703	496,060	544,815	550,081
Capital outlay	619,203	14,510	324,561	4,324,439	7,539,913	2,323,173	9,899,573	1,980,978	100,789	3,292,992
Total expenditures	17,890,314	13,463,968	16,701,455	19,678,944	25,645,438	19,608,443	25,623,630	16,695,306	13,716,422	15,958,167
Revenues over (under) expenditures	588,942	680,024	537,220	(4,828,998)	(5,510,396)	(965,699)	(8,205,557)	661,458	1,823,680	(1,748,327)
Other financing sources (uses)										
Transfers in	4,468,625	1,207,183	2,394,581	1,632,723	6,864,366	2,697,634	2,774,671	2,095,083	2,271,008	1,935,595
Transfers out	(3,457,562)	(1,048,984)	(1,889,681)	(1,299,950)	(3,636,541)	(2,760,656)	(3,024,788)	(2,643,601)	(2,731,141)	(2,229,301)
Proceeds from long-term debt	-	-	-	1,110,430	4,540,870	575,000	10,708,167	449,000	-	3,001,977
Total other financing sources (uses)	1,011,063	158,199	504,900	1,443,203	7,768,695	511,978	10,458,050	(99,518)	(460,133)	2,708,271
Net change in fund balances	1,600,005	838,223	1,042,120	(3,385,795)	2,258,299	(453,721)	2,252,493	561,940	1,363,547	959,944
Fund balances, beginning of year	7,962,492	7,124,269	6,082,149	9,481,149	7,781,958	8,235,679	5,983,186	5,462,520	3,904,321	2,938,168
Fund balances, end of year	\$ 9,562,497	\$ 7,962,492	\$ 7,124,269	\$ 6,095,354	\$ 10,040,257	\$ 7,781,958	\$ 8,235,679	\$ 6,024,460	\$ 5,267,868	\$ 3,898,112
Debt service as a percentage of noncapital expenditures	2%	1%	2%	2%	18%	18%	15%	13%	14%	14%

Table 5

COUNTY OF CASS, MICHIGAN
Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other	Personal Property Valuation	Total Taxable Assessed Valuation	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2006	\$ 1,573,718,612	\$ 89,342,895	\$ 37,651,834	\$ 336,671,801	\$ 92,838,844	\$ 2,130,223,986	6.2567	\$ 4,265,153,730	49.9%
2005	1,450,953,188	82,744,997	35,596,294	304,759,761	92,460,821	1,966,515,061	6.3295	3,931,215,266	50.0%
2004	944,020,763	64,197,012	29,802,748	160,506,150	92,167,513	1,290,694,186	5.9178	3,703,641,590	34.8%
2003	886,645,733	60,921,325	25,913,416	158,431,611	99,145,565	1,231,057,650	5.9959	3,402,603,242	36.2%
2002	820,042,910	57,144,669	25,549,386	153,872,465	101,234,358	1,157,843,788	6.9943	3,128,474,080	37.0%
2001	758,358,859	54,224,324	24,330,230	147,875,170	76,011,176	1,060,799,759	7.1170	2,825,330,440	37.5%
2000	706,511,545	52,446,483	23,196,167	146,703,311	77,021,703	1,005,879,209	7.3445	2,566,507,778	39.2%
1999	666,464,615	49,290,799	22,289,785	141,714,176	78,115,107	957,874,482	7.4460	2,351,377,998	40.7%
1998	625,857,681	46,746,447	21,217,878	135,155,589	74,022,987	903,000,582	7.5279	2,050,279,646	44.0%
1997	590,285,311	44,478,142	19,880,431	129,993,457	71,404,345	856,041,686	7.5377	1,712,083,372	50.0%

(1) Property taxes for the years listed are levied December 1 of the preceding year based on assessed values as of that date.

SOURCE: Equalization Department

Table 6

COUNTY OF CASS, MICHIGAN
Property Tax Rates (1)
Direct and Overlapping Governments
Last Ten Years

Fiscal Year	Tax Year	Direct Rate	Overlapping Rates					Total
		County Millage	City/Village Millages	Townships Millages	School Millages (2)	State Education	Other Millages	
2006	2005	6.2567	16.2117	1.7902	27.3659	6.0000	0.6934	58.3179
2005	2004	6.3295	14.8591	1.8724	27.6727	6.0000	0.7057	57.4394
2004	2003	5.9178	15.4634	1.9185	27.3722	6.0000	0.6843	57.3562
2003	2002	5.9959	16.0549	1.9195	27.3173	6.0000	0.6949	57.9825
2002	2001	6.9943	16.6299	1.8617	27.1484	6.0000	0.7024	59.3366
2001	2000	7.1170	16.9695	1.8519	27.1299	6.0000	0.7171	59.7854
2000	1999	7.3445	17.1236	1.6162	27.7918	6.0000	0.7249	60.6009
1999	1998	7.4460	17.2059	1.5881	27.8659	6.0000	0.7361	60.8419
1998	1997	7.5279	17.2198	1.6057	26.5157	6.0000	0.7467	59.6158
1997	1996	7.5377	17.1175	1.3219	26.1644	6.0000	0.7500	58.8916

(1) Per \$1,000 of equalized value.

(2) Includes intermediate school districts (i.e., special education and vocational) and community colleges.

SOURCE: Annual Apportionment Report of Cass County

Table 7

COUNTY OF CASS, MICHIGAN
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Vector Pipeline LP	\$ 18,701,541	1	0.88%	\$ -		-
Midwest Energy Cooperative	11,070,163	2	0.52%	-		-
Semco Energy Gas Company	4,171,055	3	0.20%	4,197,674	4	0.49%
Indiana & Michigan Electric Company	3,940,095	4	0.18%	5,976,415	1	0.70%
Dowagiac Limited Dividend	3,188,072	5	0.15%	2,650,414	7	0.31%
SPX Corporation	2,818,000	6	0.13%	-		-
Stamp, Roger H. and Lois A. Trust	2,808,659	7	0.13%	-		-
National Copper Products	2,706,587	8	0.13%	2,494,000	8	0.29%
American Electric Power	2,572,306	9	0.12%	-		-
Autocam-Pax	2,353,121	10	0.11%	-		-
Contech Division	-		-	5,512,200	2	0.64%
Rospatch Jessco Corp	-		-	4,719,111	3	0.55%
Fruit Belt Electric	-		-	3,163,068	5	0.37%
Duwel Aluminum Products	-		-	2,676,300	6	0.31%
The Edward Lowe Foundation	-		-	2,249,230	9	0.26%
Michigan Power	-		-	1,990,300	10	0.23%
	<u>\$ 54,329,599</u>		<u>2.55%</u>	<u>\$ 35,628,712</u>		<u>4.16%</u>

Source: Cass County Treasurer

Table 8

COUNTY OF CASS, MICHIGAN
Property Taxes Levied and Collected (1)
Last Ten Years

(2) Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percent of Levy
09/30/2006	\$ 9,324,085	\$ 8,722,513	93.5%	\$ -	\$ 8,722,513	93.5%
09/30/2005	2,216,204	2,158,132	97.4%	58,072	(3) 2,216,204	100.0%
12/31/2004	8,697,763	8,025,169	92.3%	672,594	(3) 8,697,763	100.0%
12/31/2003	7,613,413	6,949,835	91.3%	663,578	(3) 7,613,413	100.0%
12/31/2002	7,381,298	6,680,075	90.5%	701,223	(3) 7,381,298	100.0%
12/31/2001	8,098,307	6,937,820	85.7%	1,160,487	(3) 8,098,307	100.0%
12/31/2000	7,549,712	6,977,444	92.4%	572,268	(3) 7,549,712	100.0%
12/31/1999	7,387,680	6,973,970	94.4%	413,710	(3) 7,387,680	100.0%
12/31/1998	7,132,333	6,416,960	90.0%	715,373	(3) 7,132,333	100.0%
12/31/1997	6,797,698	6,196,481	91.2%	601,217	(3) 6,797,698	100.0%

SOURCES: Equalization Department and Cass County Finance Department

- (1) Includes all real and personal property taxes levied in Cass County.
- (2) Property taxes are levied December 1 of the preceding year and become delinquent March 1 of the current year. Delinquent real property taxes of all taxing districts in the County are purchased by the County's Delinquent Tax Revolving Fund. Uncollected personal property taxes must be collected by the applicable local treasurers. Beginning in 2005 the County began to levy a portion of its general taxes on July 1 due to change in law. Taxes continue to not be considered delinquent until March 1 of the following year.
- (3) Personal property tax delinquencies are maintained at the local unit (not county) level. The amounts remaining uncollected are unknown and not accounted for as management has no control over collections and believes the amounts to be immaterial.

Table 9

COUNTY OF CASS, MICHIGAN
Ratios of Outstanding Debt By Type
Last Four Years

Fiscal Year	General Obligation Bonds			Percentage of Personal Income	Per Capita
	Governmental Activities	Business-type Activities	Total Primary Government		
2006	\$ 4,945,000	\$ 32,667,000	\$ 37,612,000	2.3%	\$ 723
2005	5,085,000	32,752,000	37,837,000	2.4%	728
2004	5,095,000	35,036,000	40,131,000	2.7%	775
2003	5,225,000	17,085,000	22,310,000	1.6%	434

Table 10

COUNTY OF CASS, MICHIGAN
Ratios of General Bonded Debt Outstanding
Last Ten Years

Year Ended	(1) Population	Taxable Value	(2) Gross Bonded Debt	Less Debt Service Fund Amounts	Less Self- Supporting Portions	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
09/30/2006	51,996	\$ 2,130,223,986	\$ 37,612,000	\$ 8,917	\$ 32,667,000	\$ 4,936,083	0.23%	\$ 95
09/30/2005	51,996	1,966,515,061	37,837,000	8,890	32,752,000	5,076,110	0.26%	98
12/31/2004	51,761	1,290,694,186	40,131,000	8,737	35,036,000	5,086,263	0.39%	98
12/31/2003	51,385	1,231,057,650	22,310,000	8,715	17,085,000	5,216,285	0.42%	102
12/31/2002	51,412	1,157,843,788	22,315,570	15,657	18,084,000	4,215,913	0.36%	82
12/31/2001	51,352	1,060,799,759	20,797,000	15,160	19,987,000	794,840	0.07%	15
12/31/2000	51,104	1,005,879,209	22,022,950	82,180	20,637,950	1,302,820	0.13%	25
12/31/1999	49,477	957,874,482	11,295,950	13,893	9,330,950	1,951,107	0.19%	39
12/31/1998	49,477	903,000,582	12,806,950	13,929	7,301,950	5,491,071	0.57%	111
12/31/1997	49,967	856,041,686	14,665,000	13,609	8,530,000	6,121,391	0.68%	123

(1) From EC Demograph

(2) Amounts do not include special assessment debt, revenue bonds or debt of discretely presented component units.

Table 11

COUNTY OF CASS, MICHIGAN
Computation of Direct and Overlapping Bonded Debt
Current Year

	(1) Net Debt Outstanding	Percentage Applicable to Cass County	Amount Applicable to Cass County
Direct:			
Building authority bonds	\$ 4,945,000	100.00%	\$ 4,945,000
Drain Commission bonds and notes	411,916	100.00%	411,916
County Road Commission debt	<u>7,565,000</u>	100.00%	<u>7,565,000</u>
	<u>\$ 12,921,916</u>		<u>12,921,916</u>
Overlapping:			
School Districts	\$ 174,274,541	44.94%	78,318,979
Cities and Villages	8,115,000	22.39%	1,816,949
Townships	41,667,000	100.00%	41,667,000
Community Colleges	3,475,000	91.23%	3,170,243
Intermediate School Districts	<u>235,000</u>	72.28%	<u>169,858</u>
Net overlapping debt	<u>\$ 53,492,000</u>		<u>125,143,029</u>
Net direct and overlapping debt			<u><u>\$ 138,064,945</u></u>

(1) Excludes self-supporting debt or that portion paid directly by benefiting municipalities.

SOURCE: Municipal Advisory Council of Michigan

Table 12

COUNTY OF CASS, MICHIGAN
Computation of Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value, real and personal property	\$ 2,130,223,986
Legal debt margin	
Debt limitation (10% of total valuation)	\$ 213,022,399
Debt applicable to limit:	
General obligation bonds	4,945,000
Water and Sewer Project Bonds	32,667,000
Total net debt applicable to limit	37,612,000
Legal debt margin	\$ 175,410,399

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2006	\$ 213,022,399	\$ 37,612,000	\$ 175,410,399	17.66%
2005	196,651,506	37,837,000	158,814,506	19.24%
2004	129,069,419	40,131,000	88,938,419	31.09%
2003	123,105,765	22,310,000	100,795,765	18.12%
2002	115,784,379	22,315,570	93,468,809	19.27%
2001	106,079,976	20,797,000	85,282,976	19.61%
2000	100,587,921	21,851,000	78,736,921	21.72%
1999	95,787,448	11,054,000	84,733,448	11.54%
1998	90,300,058	12,535,000	77,765,058	13.88%
1997	85,604,169	14,305,000	71,299,169	16.71%

Table 13

COUNTY OF CASS, MICHIGAN
Demographic and Economic Statistics
Last Ten Years

Year	Population (estimated)	Personal Income (amounts in thousands)	Per capita Personal Income	Unemployment Rate
2006	51,996	\$ 1,654,197	\$ 31,814	5.2%
2005	51,996	1,555,575	29,917	4.3%
2004	51,761	1,462,833	28,261	5.1%
2003	51,385	1,375,620	26,771	4.9%
2002	51,412	1,292,382	25,138	4.8%
2001	51,352	1,258,623	24,510	3.2%
2000	51,104	1,265,465	24,763	3.3%
1999	49,477	1,196,794	24,189	3.8%
1998	49,477	1,137,121	22,983	4.7%
1997	49,967	1,075,182	21,518	5.4%

Year	Population (census)
2000	51,104
1990	49,477
1980	49,499
1970	43,312
1960	36,932
1950	28,185

SOURCES:

Population - www.census.govUnemployment Rate - www.michlmi.org

Table 14

COUNTY OF CASS, MICHIGAN
Principal Employers
Current Year and Nine Years Ago

Employer	2006			1997		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Berrybrook Enterprises	500	1	4.8%			
SPX Corporation	400	2	3.9%			
Dowagiac Union School District	384	3	3.7%	350	3	3.5%
Georgie Boy Manufacturing Inc	325	4	3.1%	425	1	4.3%
Inverness Castings Group Inc	300	5	2.9%	250	6	2.5%
Borgess Hospital Corp.	275	6	2.7%	200	10	2.0%
National Copper Products Inc	200	7	1.9%			
North American Forest Products	200	8	1.9%			
Southwestern Michigan College	200	9	1.9%	350	4	3.5%
Edwardsburg Public Schools	192	10	1.9%	200	7	2.0%
Contech Division				400	2	4.0%
Ameriwood				325	5	3.3%
Cassopolis Schools				200	8	2.0%
Jessup Door Company Inc.				200	9	2.0%
Total employees in County	10,360			9,905		

Source: www.bls.gov

Table 15

COUNTY OF CASS, MICHIGAN
Full-Time Equivalent County Government Employees By Function/Program
Last Ten Years

Function/Program	Full-time Equivalent Employees as of Fiscal Year End									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Legislative:										
Board of commissioners	15	15	15	15	7	7	7	7	7	7
Judicial:										
Circuit Court	5	5	5	5	5	5	5	5	4	4
District Court	12	12	11	10	10	10	10	10	10	10
Friend of the Court	13	15	15	16	16	15	15	15	15	15
Probate Court	4	4	4	4	4	4	4	4	4	4
Family Court	11	12	11	7	7	7	7	6	6	6
General Government:										
County Administration	2	2	2	2	2	2	2	2	2	2
Finance	2	2	2	3	3	3	4	4	4	4
Information & Tech Systems	6	6	6	6	6	6	6	5	4	4
Facilities Management	4	5	5	6	6	6	6	6	6	6
Clerk/Register	6	7	7	6	6	6	6	6	6	6
Treasurer	4	4	4	4	4	4	4	4	4	4
Drain Commissioner	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Prosecuting Attorney	12	12	11	10	11	11	11	11	11	11
Sheriff	83	86	92	96	97	96	98	92	82	84
Animal Control	5	5	5	5	5	5	5	5	5	5
Social Services:										
Veterans Services	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
County Extension	2	3	3	3	3	3	3	3	3	3
Total	188	197	200	200	194	192	195	187	175	177

Source: County Budget Office

Table 16

COUNTY OF CASS, MICHIGAN
Operating Indicators By Function/Program
Last Ten Years

Function/Program	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Public Safety (Sheriff):										
Number of new calls	12,500	9,563	12,900	12,800	12,715	12,003	11,500	10,692	11,051	10,871
Number of burglaries	310	225	340	350	335	259	300	312	280	306
Number of intakes - Jail	2,800	2,000	2,800	2,600	2,800	3,000	3,300	2,954	3,013	2,983
Number of Court Hours - Jail	1,100	850	1,000	1,040	1,000	1,090	1,100	1,082	1,076	1,079
Drain Commission:										
Number of new drainage/ lake level districts	2	1	2	2	2	1	3	5	5	5
Central Dispatch E-911:										
Number of Calls	37,159	49,439	48,952	46,399	48,526	48,710	42,300	41,635	41,672	41,653
Clerk/Register of Deeds:										
Number of Elections Held	4	3	6	5	8	4	9	5	6	4
Number of deeds recorded	16,000	16,000	18,500	18,500	14,500	15,100	14,500	15,500	15,022	12,000
Animal Control:										
Number of Animals adopted out	435	337	450	450	454	450	400	352	425	376
Prosecutor:										
Number of Warrants/Petitions	2,545	1,650	3,570	3,245	3,075	2,858	4,137	3,493	3,130	3,708

Table 17

COUNTY OF CASS, MICHIGAN
Capital Asset Statistics By Function/Program
Last Ten Years

Function/Program	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Law & Courts										
Building & Improvements	\$ 7,373,464	\$ 7,373,464	\$ 7,373,464	\$ 7,677,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	649,822	649,822	649,822	682,852	206,097	200,237	183,958	164,689	150,812	142,997
General Government										
County Building										
Land	40,855	40,855	40,855	40,855	40,855	40,855	40,855	-	-	-
Buildings & Improvements	680,075	680,075	680,075	313,529	3,781,980	3,765,145	3,763,945	3,741,983	3,740,529	3,739,732
Equipment	403,218	403,218	403,218	275,121	933,340	887,232	852,265	800,313	745,825	708,333
Maintenance/MSU Extension										
Buildings & Improvements	65,000	65,000	65,000	65,000	169,694	169,694	169,694	169,694	169,694	169,694
Equipment	75,632	75,632	55,189	55,189	239,526	234,161	230,454	217,638	200,575	193,890
County Complex M-62										
Land	50,285	50,285	50,285	50,285	55,999	55,999	55,999	55,999	55,999	55,999
Buildings & Improvements	-	-	-	-	64,961	64,961	64,961	64,961	64,961	148,861
Public Safety										
Sheriff /Jail Complex										
Buildings & Improvements	5,514,718	5,514,718	5,514,718	5,514,718	6,610,753	6,604,465	6,599,090	6,567,563	6,567,563	6,547,871
Equipment	1,370,408	807,028	807,028	807,028	1,144,403	1,092,742	949,290	770,312	502,074	394,819
E-911 Facility										
Buildings & Improvements	985,333	985,333	985,333	985,333	-	-	-	-	-	-
Equipment	385,248	301,117	126,303	35,205	-	-	-	-	-	-
Animal Shelter										
Buildings & Improvements	525,000	525,000	525,000	525,000	541,467	541,467	541,467	541,467	525,168	525,168
Equipment	59,071	59,071	59,071	59,071	70,318	65,614	64,386	59,737	50,963	40,515
Human Services										
Health Department										
Buildings & Improvements	400,000	400,000	400,000	400,000	-	-	-	-	-	409,656
Equipment	-	-	-	-	-	-	-	-	-	133,352
Mental Health										
Buildings & Improvements	-	-	-	-	779,977	779,977	779,977	779,977	779,977	-
Equipment	-	-	-	-	-	-	-	-	-	795,483
Medical Care Facility										
Buildings & Improvements	2,736,707	2,736,707	2,736,707	2,736,707	236,707	236,707	236,707	236,707	236,707	943,452

Table 17

COUNTY OF CASS, MICHIGAN
Capital Asset Statistics By Function/Program
Last Ten Years

Function/Program	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Culture & Recreation										
District Library										
Buildings & Improvements	1,300,000	1,300,000	1,300,000	1,300,000	1,368,768	1,368,768	1,365,795	1,364,851	1,357,047	1,350,449
Equipment	-	-	-	-	5,686	5,686	5,686	5,686	-	-
Lawless Park										
Land	304,516	304,516	304,516	304,516	304,516	304,516	96,000	96,000	96,000	96,000
Historical Commission										
Buildings & Improvements	-	-	-	-	9,636	9,636	9,636	4,175	2,175	-
Equipment	-	-	-	-	1,399	1,399	1,399	1,399	1,399	1,399

COUNTY OF CASS, MICHIGAN



SINGLE AUDIT ACT COMPLIANCE

For the Year Ended September 30, 2006



REHMANN ROBSON

Certified Public Accountants

CASS COUNTY, MICHIGAN SINGLE AUDIT ACT COMPLIANCE

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For the Year Ended September 2006

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CASS COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2006

Federal/Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor Number	Award Amount	Federal Expenditures
U.S. Department of Agriculture				
Direct Programs:				
Water and Waste Disposal Systems for Rural Communities 2005/2006	10.760	-n/a-	\$ 3,700,000	\$ 1,934,000
Passed-through the Michigan Department of Human Services:				
Family Nutrition Program 2005/2006	10.561	-n/a-	57,380	<u>8,604</u>
Total U.S. Department of Agriculture				<u>1,942,604</u>
U.S. Department of Justice				
Direct Programs:				
Family Drug Court Implementation Grant 09/01/2004-08/31/2007	16.585	2004-DC-BX-0054	450,000	193,308
State Criminal Alien Assistance Program 09/01/2002-05/31/2006	16.606	2006-AP-BX-0634	3,613	3,613
COPS in School 09/01/2002-05/31/2006	16.710	2002SHWX0412	125,000	9,338
Passed-through the Michigan Department of Human Services:				
Juvenile Accountability Incentive Block Grant 4/1/2005-3/31/2006	16.523	JAIBG-05-14001	10,418	6,534
Juvenile Justice Building Restorative Communities 10/01/2004-11/30/2005	16.540	JJBRC-05-14001-1	100,000	8,128
10/01/2005-11/30/2006	16.540	JJBRC-05-14001-2	90,000	<u>54,834</u>
Total U.S. Department of Justice				<u>275,755</u>
U.S. Department of Transportation				
Passed through the Michigan Office of Highway Safety Planning:				
Highway Safety Project Enforcement Grant	20.604	PT-06-56	7,937	<u>7,937</u>

continued...

CASS COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards (Concluded)
For the Year Ended September 30, 2006

Federal/Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor Number	Award Amount	Federal Expenditures
U.S. Department of Health & Human Services				
Passed-through the Michigan Family Independence Agency: Strong Families/Safe Children 10/1/2005-9/30/2006	93.556	SFSC 04-14001-3	\$ 24,129	\$ 24,129
Incentive Payments 10/1/2005-9/30/2006	93.563	-n/a-	-n/a-	87,144
Passed-through the Michigan Family Independence Agency: Child Support Enforcement: Friend of the Court 10/1/2005-9/30/2006	93.563	CS/FOC-06-14001	675,509	438,329
Prosecuting Attorney 10/1/2005-9/30/2006	93.563	CS/PA-06-14002	121,539	<u>97,441</u>
Total U.S. Department of Health and Human Services				<u>647,043</u>
U.S. Department of Homeland Security				
Passed-through the Michigan Department of Natural Resources Boating Safety Financial Assistance 01/01/2006-09/30/2006	97.012	-n/a-	10,000	10,000
Passed-through Michigan Department of State Police 2004 Homeland Security Grant Program 08/01/2004-09/30/2005	97.004	-n/a-	350,665	16,956
2004 Homeland Security Grant Program Interoperable Communications Equipment 04/01/2006-08/31/2006	97.004	-n/a-	22,000	21,843
2005 Homeland Security Grant Program 10/01/2005-09/30/2006	97.004	-n/a-	18,563	6,847
Passed through the Michigan Department of Labor and Economic Growth: Community Emergency Response Training Direct Assistance Program 12/01/2005-01/31/2006	97.004	2003 SHSGP Part II CERTDAP	302,920	<u>53,098</u>
Emergency Management Performance Grant 10/01/2005-09/30/2006	97.042	-n/a-	8,973	<u>8,428</u>
Total U.S. Department of Homeland Security				<u>117,172</u>
Total Expenditures of Federal Awards				<u><u>\$ 2,990,511</u></u>

CASS COUNTY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of Cass County, Michigan (the "County"). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The Cass County reporting entity is defined in Note I of the County's financial statements. Cass County, Michigan's financial statements include the operations of the Cass County Transportation Authority, which received \$58,769 in federal awards that is not included in the Schedule for the year ended September 30, 2006. Our audit did not include the operations of the Cass County Transportation Authority because the Cass County Transportation Authority engaged other auditors to perform its audit.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note I of the County's financial statements.

Amounts presented on the Schedule of Expenditures of Federal Awards agree with or reconcile to amounts presented in the financial statements.

* * * * *



REHMANN ROBSON

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

December 22, 2006

To the Board of Commissioners
of Cass County, Michigan
Cassopolis, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Cass Michigan**, as of and for the year ended September 30, 2006, which collectively comprise the basic financial statements, and have issued our report thereon dated December 22, 2006. We did not audit the financial statements of the Medical Care Facility enterprise fund, which represents 9% of the assets and 71% of the revenues of the business-type activities. Also, we did not audit the financial statements of the Transportation Authority, which represents 2% of the assets and 8% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and Transportation Authority, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cass County, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cass County, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted other matters involving the internal control over compliance, financial reporting and/or operating efficiency that we have reported to the management of Cass County, Michigan in a separate letter dated December 22, 2006.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Lohman". The signature is written in a cursive style with a large, prominent 'L' at the beginning.



REHMANN ROBSON

Certified Public Accountants

A member of **THE REHMANN GROUP**



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

December 22, 2006

To the Board of Commissioners
of Cass County, Michigan
Cassopolis, Michigan

Compliance

We have audited the compliance of **Cass County, Michigan** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. Cass County, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cass County, Michigan's management. Our responsibility is to express an opinion on Cass County, Michigan's compliance based on our audit.

Cass County, Michigan's financial statements include the operations of the Cass County Transportation Authority, which received \$58,769 in federal awards during the year ended September 30, 2006, which is not included in the Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of the Cass County Transportation Authority because the Cass County Transportation Authority engaged other auditors to perform its audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cass County, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Cass County, Michigan's compliance with those requirements.

In our opinion, Cass County, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

Internal Control over Compliance

The management of Cass County, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Cass County, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to major federal programs being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Cass Michigan*, as of and for the year ended September 30, 2006, which collectively comprise the basic financial statements, and have issued our report thereon dated December 22, 2006. We did not audit the financial statements of the Medical Care Facility enterprise fund, represents 8% of the assets and 71% of the revenues of the business-type activities. Also, we did not audit the financial statements of the Transportation Authority, which represents 2% of the assets and 8% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and Transportation Authority, is based on the reports of the other auditors.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Cass County, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Lehmann Johnson", is positioned in the lower right area of the page.

CASS COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs

For The Year Ended September 30, 2006

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to financial statements
noted?

_____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Type of auditors' report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)?

_____ yes X no

CASS COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs (Concluded)

For The Year Ended September 30, 2006

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes <u> </u> no

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS

None.

* * * * *



REHMANN ROBSON

Certified Public Accountants

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December 21, 2006

The Board of Commissioners
County of Cass, Michigan
Cassopolis, Michigan

We have audited the financial statements of Cass County for the year ended September 30, 2006, and have issued our report thereon dated December 21, 2006. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated November 21, 2006, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered Cass County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Cass County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Cass County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Cass County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Cass County's compliance with those requirements.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Cass County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Cass County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets in the government-wide and proprietary fund financial statements is based on the length of time it is believed that those assets will provide some economic benefit in the future. We evaluated the key factors and assumptions used to develop the useful lives of those assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Cass County's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, all of which were recorded by Cass County, either individually or in the aggregate, indicate matters that could have a significant effect on Cass County's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Cass County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

This letter and the accompanying memorandum are intended for the use of the Board of Commissioners, management, and federal awarding agencies and pass-through entities and are not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style with a large initial 'L'.

Cass County

Comments and Recommendations

For the Year Ended September 30, 2006

During our audit we became aware of certain issues regarding internal control and financial reporting. This memorandum summarizes our comments and suggestions regarding these matters. This memorandum does not affect our report dated December 21, 2006 on the financial statements of Cass County.

We will review the status of these comments during our next audit engagement. We have already discussed many of these matters with County management and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist the County in implementing the recommendations.

Inmate Trust Cash – Sheriff's Department

The Sheriff's Department is responsible for maintaining an account to hold the cash taken from inmates upon incarceration. The cash held is accounted for separately by inmate, using a software package installed specifically for that purpose. During our audit, we noted that while the Inmate Trust cash account is being reviewed and balanced on a monthly basis, it is not being reconciled against both the general ledger and bank statement at month end, as would be expected. Instead, each month, the balance in the account is compared with the software records as of the date the reconciliation is performed. Furthermore, the account still shows numerous outstanding checks dating back many years (some as far back as 1998).

We recommend that the County reconcile all bank statements (including the Inmate Trust account) to the general ledger using the final date of each monthly bank statement and that the reconciliation take into account the total of a listing of individual outstanding checks, rather than the cumulative difference between all checks written and all checks recorded in the computer as cashed. In addition, we recommend the County escheat to the State Treasurer's Office any outstanding checks that are more than one year old, no less than annually.

Bonds Payable Cash – District Court

During our review of the Bonds Payable account maintained by the District Court, we noted that the account still contains various amounts for closed cases dating back many years, which have not been escheated to the State Treasurer's Office in accordance with state law.

We recommend the County escheat to the State Treasurer's Office any unclaimed amounts (excluding those items still pending final judgment by the Courts) that are more than one year old, no less than annually.

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